

Bryan W. Shaw, Ph.D., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 10, 2014

Ms. Bridget Bohac
Chief Clerk
Office of the Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC-105
Austin, Texas 78711-3087

Re: Application from Aqua Utilities, Inc. CCN Nos. 11157 and 20453, to purchase facilities and to transfer and cancel CCNs 13114 and 21005 from Texas-American Water Company in Brazoria, Harris, Liberty, Matagorda, and Montgomery Counties. SOAH Docket No. 582-12-0707; TCEQ Docket No. 2011-1566-UCR.

Dear Ms. Bohac:

Enclosed for filing with the Texas Commission on Environmental Quality is the original plus seven copies of the Executive Director's Executive Summary to be filed as backup materials for the January 29, 2014 commission agenda regarding the above referenced matter.

If you have any questions, please call me at (512) 239-0608.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron M. Olson".

Ron M. Olson
Staff Attorney
Environmental Law Division

Enclosure

cc: Mailing List

Texas Commission on Environmental Quality
INTEROFFICE MEMORANDUM

TO: Texas Commission on Environmental Quality **DATE:** January 10, 2014

THRU: Bridget Bohac, Chief Clerk

FROM: Ron Olson, Staff Attorney, Environmental Law Division

SUBJECT: TCEQ Docket No. 2011-1566-UCR; SOAH 582-12-0707. Consideration of the Applications from Aqua Texas Utilities, Inc. dba Aqua Texas, Inc., CCN Nos. 11157 and 20453, to purchase facilities and to transfer and cancel CCNs 13114 and 21005 from Texas-American Water Company in Brazoria, Harris, Liberty, Matagorda, and Montgomery Counties.

DESCRIPTION OF APPLICATION

Applicant: Aqua Texas Utilities, Inc. dba Aqua Texas, Inc.

Regulated Activity: Retail water and sewer utility service

Type of Application: Application to purchase facilities and transfer of CCN

Commission Action: Hearing regarding approval for transfer of CCN to Aqua Texas

Authority: Texas Water Code §§ 13.251 and 13.301; 30 Texas Administrative Code §§ 291.109 and 291.112

FACTUAL BACKGROUND

On February 28, 2011 Aqua Texas, Inc. ("Applicant") filed a sale, transfer, merger ("STM") application with the Texas Commission on Environmental Quality ("TCEQ") to purchase the facilities and to transfer and cancel the Certificates of Convenience and Necessity ("CCN") of Texas-American Water Company.

On September 13, 2011, the Executive Director ("ED") referred this matter to the State Office of Administrative Hearings ("SOAH") to schedule a hearing for improper notice in accordance with Texas Water Code § 13.301(e)(1). The preliminary hearing was held on October 17, 2011. At the hearing, the Applicant objected to the Commission's jurisdiction and the Protestants objected to a remand of the case to the ED. As a result, the Administrative Law Judge ("ALJ") took provisional jurisdiction of this matter and required the parties to brief the issues of jurisdiction and remand.

On June 4, 2012, the ALJ issued her Proposal for Decision recommending that the Commission does not have jurisdiction to request a hearing. At the November 14, 2012 Agenda, the Commissioners found that the ED lacked the jurisdiction to request a SOAH hearing which resulted in the transfer of Texas-American's *facilities* to Aqua Texas. However, the matter concerning the CCN transfer was remanded to the ED to allow Aqua Texas to provide proper public notice to those entities that did not receive notice of the STM application. After the end of a 30-day comment period, the ED was instructed to evaluate whether the CCN transfer would be in the public interest after considering the factors in 30 TEX. ADMIN. CODE § 291.112(c)(5)(A)-(E).

On February 20, 2013, the applicant mailed notice to an additional 40 retail public utilities that originally did not receive notice of Aqua Texas' STM application. The 30-day comment period ended on March 23, 2013. The ED did not receive any comments.

LEGAL AUTHORITY

A utility, on or before the 120th day before the effective date of a sale, acquisition, lease, or rental of a water or sewer system must file a written application with the commission and give public notice of the action.¹ The commission may approve a STM application for the transfer of a certificate of convenience and necessity if it determines that the transaction is in the public interest after considering:

- (1) if notice has been properly given;
- (2) if the retail public utility which will acquire the CCN is capable of rendering adequate and continuous service to every customer within the certificated area;
- (3) the experience of the person purchasing or acquiring the water or sewer system as a utility provider;
- (4) the history of the person or an affiliated interest of the person in complying with the requirements of the commission or the Texas Department of Health or of properly managing or using revenues as a utility service provider; or
- (5) the ability of the person purchasing or acquiring the water or sewer system to provide the necessary capital investment to ensure the provision of continuous and adequate service to the customers of the water or sewer system.²

If the executive director does not request a hearing, the commission may approve the transfer of a CCN by order at a regular meeting of the commission.³

¹ TEX. WATER CODE § 13.301(a); 30 TEX. ADMIN. CODE § 291.109(a)

² 30 TEX. ADMIN. CODE § 291.112(c)(5)

³ 30 TEX. ADMIN. CODE § 291.112(c)(4)

STAFF RECOMMENDATION

At the November 14, 2012 Agenda, the Commissioners instructed the ED to submit written recommendations concerning whether to approve the transfer of Texas-American's water and sewer CCNs to Aqua Texas after considering the factors in 30 TEX. ADMIN. CODE § 291.112(c)(5). Section 291.112(c)(5) lists five factors that must be considered by the commission to determine if the transfer of a CCN is in the public interest:

(1) Whether notice has been properly given.

The first factor to consider when determining whether the transfer of a CCN is in the public interest is whether the Applicant has provided proper public notice of the action.⁴ The TCEQ rules require the Applicant to mail notice to "cities and neighboring retail public utilities providing the same utility service whose corporate limits or certificated service area boundaries are within two miles of the requested service area boundaries, and any city with an extraterritorial jurisdiction which overlaps the proposed service area boundaries."⁵

At the November 14, 2012 Agenda, the Commissioners remanded the transfer of the water and sewer CCNs to the ED to allow Aqua Texas to provide proper public notice to those entities that Aqua Texas did not mail the original notice. On February 20, 2013, Aqua Texas mailed notice to an additional 40 retail public utilities that originally did not receive notice of Aqua Texas' STM application. As with the original notice, the Applicant submitted an affidavit which states that it has complied with all notice requirements.⁶ Based on the applicant's affidavit and a review of the Commission's records, the ED concludes that Aqua Texas has provided proper notice of its application.

(2) Whether the retail public utility which will acquire the CCN is capable of rendering adequate and continuous service to every customer within the certificated area.

The second factor to consider when determining whether the transfer of a CCN is in the public interest is whether the applicant is capable of providing continuous and adequate service within the certificated area.⁷

Over the last two and a half years, Aqua Texas has been providing continuous and adequate water and sewer service to the areas that are proposed to be transferred from Texas-American Water Company. On June 20, 2013, TCEQ Staff contacted Aqua Texas to request the status of how the Applicant is correcting the active violations that are

⁴ 30 TEX. ADMIN. CODE § 291.112(c)(5)(A)

⁵ 30 TEX. ADMIN. CODE § 291.112(c)(3)

⁶ See Attachment A.

⁷ 30 TEX. ADMIN. CODE § 291.112(c)(5)(B)

related to the transferred facilities.⁸ On August 9, 2013, Aqua Texas submitted a response to TCEQ staff stating that it has discussed the matter with TCEQ Region 12 and provided an outline of the corrective measures being taken to resolve the issues.⁹ Aqua Texas has the financial ability to make any and all required improvements necessary to provide continuous and adequate water and sewer service to the proposed area to be transferred. The ED concludes that Aqua Texas is capable of providing continuous and adequate service within the area to be transferred.

(3) The experience of the person purchasing or acquiring the water or sewer system as a utility provider.

The third factor to consider when determining whether the transfer of a CCN is in the public interest is the experience of the entity purchasing the water or sewer systems as a utility provider.¹⁰

Aqua Texas is a subsidiary of Aqua America, Inc., one of the largest water and wastewater service providers in America. Aqua Texas currently operates approximately 390 water and wastewater systems in Texas, which serve more than 177,000 customers. Aqua Texas employs experienced operators that can provide the quality of service necessary to maintain the water and sewer systems in order to ensure each system provides continuous and adequate service.¹¹ The ED concludes that Aqua Texas has sufficient experience as a utility provider.

(4) The history of the person in complying with the requirements of the commission or the Texas Department of Health or of properly managing or using revenues as a utility service provider.

The fourth factor to consider when determining whether the transfer of a CCN is in the public interest is the compliance history of the entity purchasing the water and sewer facilities.¹²

In general, Aqua Texas has worked with TCEQ staff to identify and address any compliance issues that develop at its facilities across Texas. Over the years, Aqua Texas has purchased a number of facilities which were under enforcement and had compliance issues. As a result, Aqua Texas has entered into Agreed Compliance Orders to resolve the issues and bring its water and wastewater systems into compliance with state regulations. The ED concludes that Aqua Texas has a history of complying with the

⁸ See Attachment B.

⁹ See Attachment C.

¹⁰ 30 TEX. ADMIN. CODE § 291.112(c)(5)(C)

¹¹ A list of Aqua Texas' operators is provided in its application in Attachment 6.

¹² 30 TEX. ADMIN. CODE § 291.112(c)(5)(D)

requirements of the commission or the Texas Department of Health or of properly managing or using revenues as a utility service provider.

(5) The ability of the person purchasing or acquiring the water or sewer system to provide the necessary capital investment to ensure the provision of continuous and adequate service.

The fifth factor to consider when determining whether the transfer of a CCN is in the public interest is the ability of the applicant to provide the necessary capital investments to ensure the provision of continuous and adequate service.¹³

Aqua Texas has the financial ability through customer collections and infusions of capital from lenders, as well as capital contributions from its parent Aqua America Inc., to make any required improvements necessary to meet the TCEQ's minimum requirements for continuous and adequate service. The ED concludes that Aqua Texas has the ability to provide the necessary capital investments to ensure the provision of continuous and adequate service.

Based on the above factors, the ED recommends that the Commission approve the transfer of the water and sewer CCNs to the Applicant.

STAFF CONTACTS

Ron Olson, Environmental Law Division (239-0608)
Brian Dickey, Water Supply Division (239-0963)

¹³ 30 TEX. ADMIN. CODE § 291.112(c)(5)(E)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

APPLICATION NO. 36983-S & 36984-S

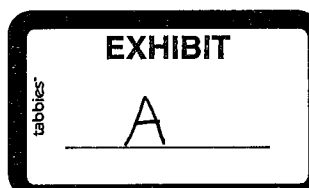
AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES & AFFECTED PARTIES

THE STATE OF TEXAS

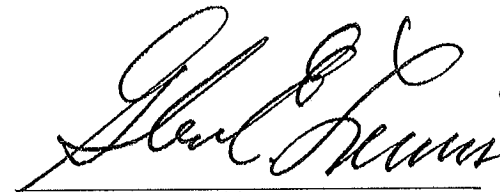
COUNTY OF TRAVIS

I, Glen E. Lewis, being duly sworn, am the Director of Corporate Development of Aqua Utilities, Inc. That in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set forth therein are true and correct. I certify and attest that the attached notice was sent to all neighboring utilities and affected parties listed below by prepaid, United States Mail on February 20, 2013, to-wit:

Airline Improvement District
Brazoria County Drainage District 5
Brazoria County MUD 61
Brazoria Drainage District 4
Brazos Bend Water Authority
Central Harris County Regional Water Authority
City of Angleton
City of Brookside
City of Hillcrest Village
City of Montgomery
City of Stagecoach
City of Tomball
City of Woodbranch Village
Coastal Water Authority
Community Utility Company
Country Living APT Water Well
Douglas Utility Company
Galveston County Consolidated Drainage District
Harris County FCD
Harris County MUD 101
Harris County MUD 11
Harris County MUD 261
Harris County WCID 99
Liberty Lakes FWSD 1
Matagorda County Drainage District 2
Matagorda County Drainage District 3
Matagorda County Drainage District 4

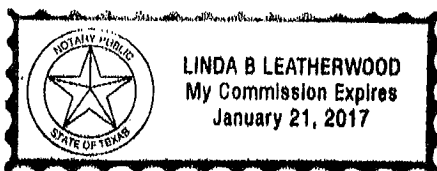


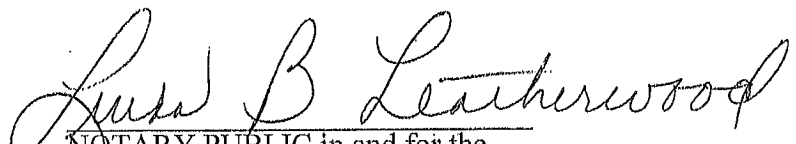
Matagorda County Navigation District 1
Memorial Hills Utility District
NERRO SUPPLY LLC
Northgate Crossing MUD 2
Northgate Crossing Road Utility District
Pearland Municipal Management District 1
Port Freeport
Port of Houston Authority
SP Utility Company Inc
Spectrum Management District
Spring Creek Utility District
West Brazoria County Drainage District
West Harris County MUD 21



Affiant

SWORN AND SUBSCRIBED TO under oath by Glen E. Lewis before the undersigned notary public on the 20th day of February, 2013 to certify which witness my hand and seal of office.





NOTARY PUBLIC in and for the
State of Texas

Application Nos. 36983-S and 36984-S

Notice to Current Customers, Neighboring Systems and Cities

TEXAS AMERICAN WATER COMPANY'S NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NOS. 13114 AND 21005 TO AQUA UTILITIES, INC. DBA AQUA TEXAS, INC, IN BRAZORIA, HARRIS, LIBERTY, MATAGORDA AND MONTGOMERY COUNTIES, TEXAS

To: Neighboring Utilities or Cities

Date Notice Mailed: February 20, 2013

<u>Texas American Water Company</u>	<u>727 Craig Road</u>	<u>St. Louis</u>	<u>Missouri</u>	<u>63141</u>
(Seller's or Transferor's Name)	(Address)	(City)	(State)	(Zip Code)

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer water and sewer CCN Nos. 13114 and 21005 in Brazoria, Harris, Liberty and Montgomery Counties to:

<u>Aqua Utilities, Inc. dba Aqua Texas, Inc.,</u>	<u>1106 Clayton Lane, Ste. 400W,</u>	<u>Austin, Texas</u>	<u>78723</u>
(Purchaser's or Transferee's Name)	(Address)	(City)	(State) (Zip)

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer and cancellation of the CCNs include the following subdivisions and zip codes: See Subdivisions listed below. Zip Codes 77440, 77456, 77419, 77422, 77584, 77511, 77578, 77093, 77032, 77050, 77086, 77060, 77373, 77355, 77354, 77304, 77378, 77356, 77301, 77372.

Brazoria County

Bernard Acres Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River and on the southwest by Farm to Market Road 2918. The total area being requested serves 73 current customers.

Oakbend Estates Subdivision is located approximately 14 miles northeast of downtown Angleton, Texas on Parker Road. The service area is generally bounded on the south by Parker Road and on the west by Chocolate Bayou. The total area being requested serves 52 current customers.

Las Playas Subdivision is located approximately 18 miles southwest of downtown Angleton, Texas on Farm to Market Road 2918. The service area is generally bounded on the east by the San Bernard River, on the northwest by an unnamed county road and on the southwest by Farm to Market 2918. The total area being requested serves 108 current customers.

Harris County

Aldine Meadows Subdivision is located approximately 12 miles north of downtown Houston, Texas on Aldine Bender Road (Farm to Market Road 525). The service area is generally bounded on the east by Aldine Westfield Road, on the south by Aldine Bender Road, on the west by Hardy Road, and on the north by North Belt Drive. The total area being requested serves 76 current customers.

Bergville Addition Subdivision is located approximately 9 miles north of downtown Houston, Texas on Hardy Road. The service area is generally located along Aldine Hill Road and bounded on the west by Hardy Road. The total area being requested serves 9 current customers.

Bertrand/Mary Francis Subdivision is located approximately 9 miles north of downtown Houston, Texas on Aldine Westfield Road. The service area is generally bounded on the east by Hartley Street, on the south by Hartwick Road, on the west by Hardy Road and on the north by Mierranne Road. The total area being requested serves 554 current customers.

Colonial Hills Subdivision is located approximately 10.5 miles north of downtown Houston, Texas on Sellers Street. The service area is generally bounded on the east by a pipeline, on the south by Pearl Street and on the west by Airline Road. The total area being requested serves 277 current customers.

Dorsett Place Subdivision is located approximately 12.5 miles northwest of downtown Houston, Texas on Comet Road 0.25 miles west of North Houston/Rosslyn Road. The service area is generally bounded on the east by Comet Street, on the south by Killough Street, on the west by North Houston/Rosslyn Road, and on the north by Chippewa Street. The total area being requested serves 13 current customers.

Greenwood Village Subdivision is located approximately 7.5 miles north of downtown Houston, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Nuggett Street, on the west by Halls Bayou and on the north by Mooney Street. The total area being requested serves 796 current customers.

Kenwood-Allen Field Subdivision is located approximately 11 miles northeast of downtown Houston, Texas on Greens Bayou. The service area is generally bounded on the east by the Southern Pacific Railroad, on the south by Norments Street, on the west by Homestead Road and on the north by Greens Bayou. The total area being requested serves 46 current customers.

Spring Creek Forest Subdivision is located approximately 22 miles north of downtown Houston, Texas on Spring Creek Road. The service area is generally bounded on the northwest by Spring Creek Road. The total area being requested serves 40 current customers.

Stettner Subdivision is located approximately 8 miles north of downtown Houston, Texas on Hopper Road. The service area is generally located along Norlinda Road and bounded on the east by Aldine Westfield Road and on the south by Hopper Road. The total area being requested serves 45 current customers.

Liberty County

Maywood Acres Subdivision is located approximately 21 miles northwest of downtown Liberty, Texas on the East Fork of the San Jacinto River. The service area is generally bounded on the east by the East Fork of the San Jacinto River, on the south by Cordy Branch and on the west by the Liberty/Montgomery County line. The service area extends into Montgomery County. The total area being requested serves 39 current customers.

Matagorda County

Oak Hollow Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas 0.33 miles from State Highway 71 on an unnamed county road. The service area is generally bounded on the north and east by the Tres Palacios River and on the west by State

Highway 71. The total area being requested serves 23 current customers.

Tidewater Oaks Subdivision is located approximately 7.5 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the east by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 62 current customers.

Tres Palacios Oaks Subdivision is located approximately 8 miles southwest of downtown Bay City, Texas on Farm to Market Road 2853. The service area is generally bounded on the north, east and south by the Tres Palacios River and on the west by Farm to Market Road 2853. The total area being requested serves 188 current customers.

Montgomery County

Airport Heights Subdivision is located approximately 1 mile northeast of downtown Conroe, Texas on Airport Beach Road. The service area is generally located along a single street bounded on the east by Airport Beach Road. The total area being requested serves 16 current customers.

Arrowhead Lake & Frontier Lakes Subdivision is located approximately 10 miles north of downtown Conroe, Texas on Dalton Road. The service area is generally bounded on the east by Indian Hill Trail, on the south by Arrowhead Bend, on the west by Dalton Road and on the north by Arrowhead Loop. The total area being requested serves 289 current customers.

Enchanted Forest Subdivision is located approximately 19.5 miles southwest of downtown Conroe, Texas on Walnut Creek. The service area is generally bounded on the east by Walnut Creek, on the west by Dogwood Trail, and on the north by Creek Bend Road. The total area being requested serves 17 current customers.

Forest Woods Estates (Big Oaks) Subdivision is located approximately 15 miles northwest of downtown Conroe, Texas on Shoreline Road. The service area is generally bounded on the east by Lake Mt. Pleasant Road, on the south by Big Oaks Drive, on the west by Shoreline Road and on the north by Forest Woods Lane. The total area being requested serves 55 current customers.

Hidden Forest Estates Subdivision is located approximately 17 miles northeast of downtown Conroe, Texas on Gaskil Road. The service area is generally bounded on the east by Hickory Drive, on the south by Lake Mount Pleasant and on the north by Gaskil Road. The total area being requested serves 105 current customers.

Laird Estates Subdivision is located approximately 17.5 miles southeast of downtown Conroe, Texas on U. S. Highway 59. The service area is generally bounded on the east by U. S. Highway 59, on the south by Brook Forest Boulevard, on the west by Florence Street and on the north by Stella Lane. The total area being requested serves 16 current customers.

Lake Conroe West Subdivision is located approximately 6 miles northwest of downtown Conroe, Texas on Blake Road. The service area is generally bounded on the east by Sapp Road, on the southwest by Old State Highway 105 and on the north by Blake Road. The total area being requested serves 57 current customers.

Pine Vista Mobile Home Village Subdivision is located approximately 16.5 miles southwest of downtown Conroe, Texas on Farm to Market Road 1488. The service area is generally bounded

on the east by Mill Creek and on the south by Farm to Market Road 1488. The total area being requested serves 67 current customers.

Piney Point Subdivision is located approximately 3 miles east of downtown Conroe, Texas on Farm to Market Road 3083. The service area is generally bounded on the east by Farm to Market Road 3083, on the south by White Oak Lane and on the north by Piney Point Road. The total area being requested serves 71 current customers.

Brazoria County

Sterling Estates is located approximately 28 miles north/northeast of downtown Angleton, Texas on Sterling Drive. The service area is generally bounded on the north by County Road 403, on the south by a drainage ditch, on the east by Farm to Market Road Highway 865, and on the west by County Road 93. The total area being requested serves 32 current customers.

Quail Meadows is located approximately 27 miles north/northeast of downtown Angleton, Texas on Covey Lane. The service area is generally bounded on the north by County Road 91, on the south by Blue Sage Street, on the east by Farm to Market Road Highway 1128, and on the west by County Road 298. The total area being requested serves 31 current customers.

Sharondale Subdivision is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Harkey Road. The service area is generally bounded on the north by County Road 554, on the south by County Road 406, on the east by Harkey Road, and on the west by County Road 844H. The total area being requested serves 28 current customers.

Centennial Place is located approximately 26.5 miles north/northeast of downtown Angleton, Texas on Centennial Place Drive. The service area is generally bounded on the north by county Road 101, on the south by Wendy Lane, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 31 current customers.

Windsong Subdivision is located approximately 25.3 miles north/northeast of downtown Angleton, Texas on Wendy Lane. The service area is generally bounded on the north by Centennial Place Subdivision, on the south by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 44 current customers.

Westwood Subdivision is located approximately 25.2 miles north/northeast of downtown Angleton, Texas on County Road 89. The service area is generally bounded on the north by Brazos River Authority Canal, on the east by Allen Road, and on the west by County Road 89. The total area being requested serves 28 current customers.

Sandy Ridge Subdivision is located approximately 24.8 miles north/northeast of downtown Angleton, Texas on Sandy Ridge Lane. The service area is generally bounded on the south by County Road 100, on the east by Sandy Long Trail, and on the west by County Road 89. The total area being requested serves 18 current customers.

Flora Addition, Section 6 is located approximately 26.2 miles northeast of downtown Angleton, Texas on Griffin Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 879, on the east by County Road 104, and on the west by County Road 879C. The total area being requested serves 17 current customers.

Flora Addition, Section 7 is located approximately 25.8 miles northeast of downtown Angleton, Texas on Lynn Lane. The service area is generally bounded on the north by County Road 101, on the south by County Road 100, on the east by Harkey Road, and on the west by County Road 831. The total area being requested serves 15 current customers.

Meadowlark Subdivision is located approximately 26 miles northeast of downtown Angleton, Texas on Glenn Lane. The service area is generally bounded on the north by County Road 101, on the south by Bryan Street, on the east by County Road 478, and on the west by County Road 103. The total area being requested serves 29 current customers.

Wellborn Acres is located approximately 26.2 miles northeast of downtown Angleton, Texas on Wellborn Drive. The service area is generally bounded on the north by County Road 101, on the east by Wellborn Drive, and on the west by County Road 104. The total area being requested serves 18 current customers.

Palmetto Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on Mimosa Lane. The service area is generally bounded on the north by Honeysuckle Lane, on the south by County Road 128, and on the west by County Road 143. The total area being requested serves 42 current customers.

Meadowview Subdivision is located approximately 25 miles northeast of downtown Angleton, Texas on County Road 365. The service area is generally bounded on the north by County Road 365B, on the south by County Road 128, and on the east by County Road 143. The total area being requested serves 43 current customers.

Pleasant Meadows is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasant Meadow Lane. The service area is generally bounded on the north by County Road 541, on the south by a drainage ditch, on the east by County Road 144, and on the west by County Road 139. The total area being requested serves 26 current customers.

Meadowland Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on John Avenue. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, and on the west by County Road 144. The total area being requested serves 113 current customers.

Pleasantdale Subdivision is located approximately 23 miles northeast of downtown Angleton, Texas on Pleasantdale Lane. The service area is generally bounded on the north by County Road 144 and on the west by County Road 144. The total area being requested serves 17 current customers.

Country Creek Estates is located approximately 23.5 miles northeast of downtown Angleton, Texas on Melanie Lane. The service area is generally bounded on the north by County Road 144, on the south by Tonya Lane, on the east by County Road 480, and on the west by County Road 855A. The total area being requested serves 66 current customers.

Heights Country Subdivision is located approximately 23.3 miles northeast of downtown Angleton, Texas on Farrell Drive. The service area is generally bounded on the north by County Road 144, on the south by a drainage ditch, on the east by Santa Fe Railway, and on the west by County Road 144. The total area being requested serves 35 current customers.

Moreland Subdivision, Blocks 1, 2, 3 & 4 is located approximately 23.5 miles northeast of downtown Angleton, Texas on County Road 296. The service area is generally bounded on the north by County Road 296A, on the south by American Canal, on the east by State Highway 35, and on the west by American Canal. The total area being requested serves 88 current customers.

Calico Farms is located approximately 19 miles northeast of downtown Angleton, Texas on County Road 890. The service area is generally bounded on the north by State Highway 35, on the south by County Road 424, on the east by County Road 833, and on the west by Farm to Market Highway 2403. The total area being requested serves 24 current customers.

Ashley Oaks Mobile Home Community and **South Meadows Subdivision** are located approximately 18 miles northeast of downtown Angleton, Texas and 3 miles south of downtown Alvin, Texas on Farm to Market Road 2403. The service area is generally bounded on the west by Farm to Market Road 2403, on the south by a drainage ditch, on the east by County Road 833, and on the north by County Road 424. The total area being requested serves 146 current customers.

Weybridge Subdivision is located approximately 15.5 miles northeast of downtown Angleton, Texas and 8 miles south of downtown Alvin, Texas. The service area is generally bounded on the north by the Missouri Pacific Railroad, on the south and west by the city limits of Liverpool, Texas and on the west by County Road 171. The area is approximately 2.5 miles south of the intersection of State Highway 35 and Farm to Market Road 2917. The total area being requested serves 25 current customers.

Village Trace Subdivision is located approximately 6 miles northwest of downtown Alvin, Texas. The service area is generally bounded on the north by Hastings Cannon Road, on the east by Stonewall Road, on the south by a line 0.5 miles south of Hastings Cannon Road, on the west by County Road 143 (Pearland Sites Road). The total area being requested serves 150 current customers.

Hastings Subdivision is located approximately 6 miles north of downtown Alvin, Texas. The service area is generally bounded on the north by Choate Street, on the west by Hastings Street, on the south by Hastings Circle, and on the east by the Brazoria/Galveston County line. The total area being requested serves 58 current customers.

The total area being requested includes approximately 963 acres for sewer and 4,305 acres for water. This transaction will have the following effect on the current customers' rates and services: **None.**

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and

- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.



Utility Representative
Aqua Utilities, Inc. dba Aqua Texas, Inc.

Ron Olson

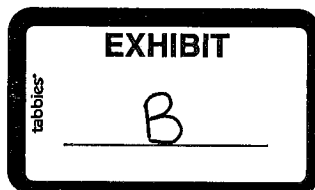
From: Brian Dickey
Sent: Thursday, June 20, 2013 5:43 PM
To: gelewis@aquaamerica.com; Geoff Kirshbaum
Cc: Ron Olson
Attachments: texas american violations.pdf

Glenn / Geoff:

Can one of ya'll please provide the status on what Aqua Texas is doing to correct the active violations listed in the attachment for the Texas American Systems.

Thank you

Brian Dickey



MORELAND SUBDIVISION BLOCKS 3 & 4

17. A. For Water Systems: TCEQ Public Water System ID Number: 0200227

Date of Last Inspection: May 28, 2008

B. For Wastewater Systems:

TCEQ Discharge Permit Number:

Name of Permittee:

Date of application to transfer Discharge Permit submitted:

Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are there any improvements required to meet TCEQ standards? No

B. Is there a moratorium on new connections? No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No

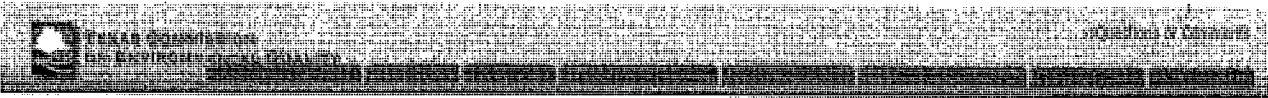
20. Do you currently purchase water or sewer treatment capacity from another source? No

21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2" meter	-Residential Connection	
60	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:		60		Total Sewer Connections	0

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

No



Central Registry

Detail of: **Public Water System/Supply Registration 0200227**

For: **MORELAND SUBDIVISION BLOCK 3&4 (RN101450187)**

CR 296A Key Map 655Z

Registration Status: **ACTIVE**

Held by: **WALKER WATER WORKS INC (CN600623367)**

RESPONSIBLE PARTY

Mailing Address: Not on file

TEXAS-AMERICAN WATER COMPANY (CN603067000)

RESPONSIBLE PARTY Since 12/15/2004

Mailing Address: Not on file

SOUTHWEST UTILITIES INC (CN600632293)

RESPONSIBLE PARTY Since 12/15/2004

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
02/29/2012	ACTIVE	30 TAC Chapter 290, SubChapter D 290.41(c)(3)(I) (Not applicable to CH)	Failure to fine grade the well site so that the site is free from depressions, reverse grades or areas too rough for proper ground maintenance so as to ensure that surface water will drain away from the well.	MINOR	NO
05/28/2008	RESOLVED	30 TAC Chapter 290, SubChapter D 290.41(c)(3)(K) (Not applicable to CH)	Failure to provide the well with a screened casing vent, which must face downward and be elevated so as to minimize the drawing of contaminants into the well.	MODERATE	NO

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MAYWOOD ACRES

17. A. For Water Systems: TCEQ Public Water System ID Number: 1460033

Date of Last Inspection: February 19, 2010

B. For Wastewater Systems:

TCEQ Discharge Permit Number:

Name of Permittee:

Date of application to transfer Discharge Permit submitted:

Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are there any improvements required to meet TCEQ standards? No

B. Is there a moratorium on new connections? No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No

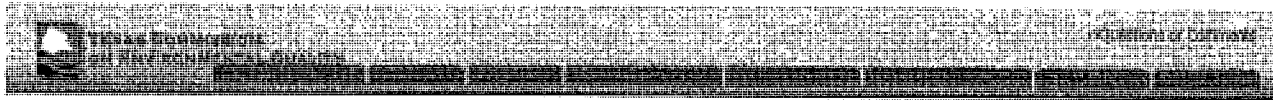
20. Do you currently purchase water or sewer treatment capacity from another source? No

21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
39	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:		39		Total Sewer Connections	0

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

Yes - Engineering plans have been submitted. Awaiting TCEQ response.



Central Registry

Detail of: **Public Water System/Supply Registration 1460033**

For: **MAYWOOD ACRES (RN101275022)**

CR3668 & 3665

Registration Status: **ACTIVE**

Held by: **TEXAS-AMERICAN WATER COMPANY (CN603067000)**

OWNER Since 02/25/2003

Mailing Address: Not on file

TEXAS AMERICAN WATER WORKS (CN603548397)

RESPONSIBLE PARTY Since 06/14/2006

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
03/25/2013	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45 (b)(1)(A)(I) (Not applicable to CH)	Failure to provide a well capacity of 1.5 gallons per minute per connection.	MINOR	NO

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LAKE CONROE WEST

17. A. For Water Systems: TCEQ Public Water System ID Number: 1700041

Date of Last Inspection: November 9, 2009

B. For Wastewater Systems:

TCEQ Discharge Permit Number:

Name of Permittee:

Date of application to transfer Discharge Permit submitted:

Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are there any improvements required to meet TCEQ standards? No

B. Is there a moratorium on new connections? No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No

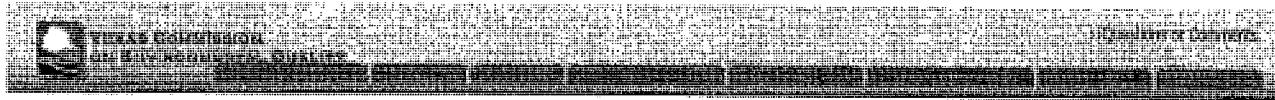
20. Do you currently purchase water or sewer treatment capacity from another source? No

21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
57	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:		57		Total Sewer Connections	0

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

No

**Central Registry**Detail of: **Public Water System/Supply Registration 1700041**For: **LAKE CONROE WEST (RN101193845)**

KEY MAP 156N PEBBLE CREEK

Registration Status: **ACTIVE**Held by: **TEXAS-AMERICAN WATER COMPANY (CN603067000)****RESPONSIBLE PARTY** Since 11/04/2008

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
03/24/2013	ACTIVE	30 TAC Chapter 290, SubChapter D 290.39(e) (Not applicable to CH)	Failure to secure the services of a registered professional engineer well versed in the design and construction of public water systems so that "as built" plans and specifications can be prepared and submitted for our review,	MAJOR	NO

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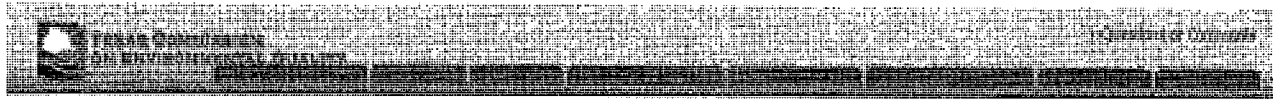
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GREENWOOD VILLAGE

17. A. For Water Systems: TCEQ Public Water System ID Number: 1010011
 Date of Last Inspection: June 23, 2010
- B. For Wastewater Systems:
 TCEQ Discharge Permit Number: WQ0011255-001
 Name of Permittee: Texas American Water Company
 Date of application to transfer Discharge Permit submitted: Pending
 Date of application to transfer Discharge Permit approved by TCEQ: Pending
18. A. Are there any improvements required to meet TCEQ standards? No
 B. Is there a moratorium on new connections? No
 C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:
19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No
20. Do you currently purchase water or sewer treatment capacity from another source? No
21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	548
796	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:		796		Total Sewer Connections	548

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?
 Yes - Engineering plans are being prepared for submittal to TCEQ.



Central Registry

Detail of: **Public Water System/Supply Registration 1010011**

For: **GREENWOOD VILLAGE (RN101245744)**

WELL 1 - 3214 WARDMONTE WELL 2 - 3101 CEDAR HILL K

Registration Status: **ACTIVE**

Held by: **TEXAS-AMERICAN WATER COMPANY (CN603067000)**

RESPONSIBLE PARTY Since 11/04/2008

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
06/23/2010	RESOLVED	30 TAC Chapter 290, SubChapter D 290.46(m)(4) (Not applicable to CH)	Failure to maintain all distribution system lines and related appurtenances in a watertight condition.	MODERATE	NO
06/23/2010	RESOLVED	30 TAC Chapter 290, SubChapter D 290.46(n)(2) (Not applicable to CH)	Failure to provide a copy of an up-to-date map of the distribution system.	MODERATE	NO
10/15/2007	ACTIVE	30 TAC Chapter 290, SubChapter F 290.108(f)(1) (Not applicable to CH)	COMBINED URANIUM	MODERATE	NO
10/15/2007	ACTIVE	30 TAC Chapter 290, SubChapter F 290.108(f)(1) (Not applicable to CH)	COMBINED URANIUM	MODERATE	NO
10/15/2007	ACTIVE	30 TAC Chapter 290, SubChapter F 290.108(f)(1) (Not applicable to CH)	COMBINED URANIUM	MODERATE	NO

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COLONIAL HILLS

17. A. For Water Systems: TCEQ Public Water System ID Number: 1010116

Date of Last Inspection: March 16, 2010

B. For Wastewater Systems:

TCEQ Discharge Permit Number: WQ0010694-001

Name of Permittee: Texas American Water Company

Date of application to transfer Discharge Permit submitted: Pending

Date of application to transfer Discharge Permit approved by TCEQ: Pending

18. A. Are there any improvements required to meet TCEQ standards? No

B. Is there a moratorium on new connections? No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No

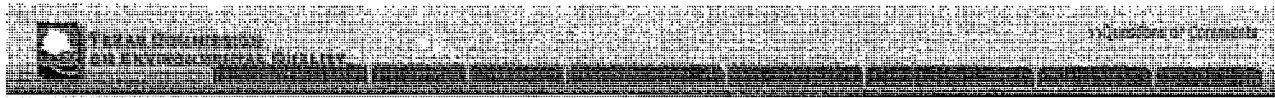
20. Do you currently purchase water or sewer treatment capacity from another source? No

21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	272
277	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			277	Total Sewer Connections	272

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

No



Central Registry

Detail of: **Public Water System/Supply Registration 1010116**

For: **COLONIAL HILLS (RN101.194595)**

14816 LILLJA RD KEY MAP 413A

Registration Status: **ACTIVE**

Held by: **TEXAS-AMERICAN WATER COMPANY (CN603067000)**

RESPONSIBLE PARTY Since 11/04/2008

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
01/18/2013	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(D)(iii) (Not applicable to CH)	Failure to provide a minimum service pump capacity such that each pump station or pressure plane must have two or more pumps with a total capacity of 2.0 gallons per minute per connection.	MODERATE	NO

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CENTENNIAL PLACE

17. A. For Water Systems: TCEQ Public Water System ID Number: 0200190

Date of Last Inspection: April 6, 2009

B. For Wastewater Systems:

TCEQ Discharge Permit Number:

Name of Permittee:

Date of application to transfer Discharge Permit submitted:

Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are there any improvements required to meet TCEQ standards? No

B. Is there a moratorium on new connections? No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards:

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? No

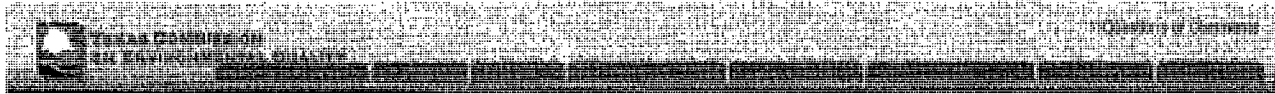
20. Do you currently purchase water or sewer treatment capacity from another source? No

21. List the number of existing connections to be effected by this transaction:

Water				Sewer	
	-Non Metered		-2"meter	-Residential Connection	
31	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			31	Total Sewer Connections	0

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements?

No



Central Registry

Detail of: **Public Water System/Supply Registration 0200190**

For: **CENTENNIAL PLACE (RN101232676)**

4831 LEWIS LANE KEY MAP 654

Registration Status: **ACTIVE**

Held by: **WALKER WATER WORKS INC (CN600623367)**

RESPONSIBLE PARTY

Mailing Address: Not on file

TEXAS-AMERICAN WATER COMPANY (CN603067000)

OWNER Since 06/03/2008

Mailing Address: Not on file

Notice of Violations Current TCEQ Rules

NOV Date	Status	Citation/Requirement Provision	Allegation	Classification	Self Reporting Indicator
02/29/2012	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(II) (Not applicable to CH)	Failure to provide a minimum pressure tank capacity of 50 gallons per connection.	MODERATE	NO
09/15/2012	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(II) (Not applicable to CH)	Failure to provide a minimum pressure tank capacity of 50 gallons per connection.	MODERATE	NO
02/29/2012	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I) (Not applicable to CH)	Failure to provide minimum well capacity of 1.5 gallons per minute per connection.	MODERATE	NO
09/15/2012	ACTIVE	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I) (Not applicable to CH)	Failure to provide minimum well capacity of 1.5 gallons per minute per connection.	MODERATE	NO
06/18/2008	RESOLVED	30 TAC Chapter 291, SubChapter F 291.93(3) (Not applicable to CH)	Failure to submit an 85% planning report.	MODERATE	NO
01/02/2009	RESOLVED	30 TAC Chapter 291, SubChapter F 291.93(3) (Not applicable to CH)	Failure to submit an 85% planning report.	MODERATE	NO
04/27/2009	RESOLVED	30 TAC Chapter 291, SubChapter F 291.93(3) (Not applicable to CH)	Failure to submit an 85% planning report.	MODERATE	NO
06/18/2008	RESOLVED	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I) (Not applicable to CH)	Failure to meet "Minimum Water System Capacity Requirements" for well capacity.	MODERATE	NO
01/02/2009	RESOLVED	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I) (Not applicable to CH)	Failure to meet "Minimum Water System Capacity Requirements" for well capacity.	MODERATE	NO
04/06/2009	RESOLVED	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I) (Not applicable to CH)	Failure to meet "Minimum Water System Capacity Requirements" for well capacity.	MODERATE	NO

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THE TERRILL FIRM

A PROFESSIONAL CORPORATION

810 West 10th Street
Austin, Texas 78701
Tel (512) 474-9100
Fax (512) 474-9888

August 9, 2013

Ron Olson
TCEQ - Environmental Law Division
MC-173
P.O. Box 13087
Austin, Texas 78711-3087

*via fax to: (512) 239-0606
and e-mail*

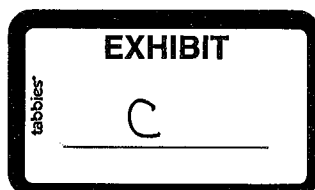
Re: Applications from Aqua Utilities, Inc. d/b/a Aqua Texas, Inc. ("Aqua Texas"), Certificate of Convenience and Necessity (CCN) Nos. 11157 and 20453, to Purchase Facilities and to Transfer and Cancel CCN Nos. 13114 and 21005 from Texas-American Water Company ("Texas-American"), in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application Nos. 36983-S and 36894-S ("Applications")

Dear Ron:

On June 20, 2013, the TCEQ Executive Director's ("ED") staff sent an e-mail to Aqua Texas inquiring how it is addressing certain "active violations" noted in the TCEQ Central Registry for 6 of the over 50 water and sewer systems acquired from Texas-American. The ED provided print-outs from the Central Registry database that showed the noted alleged violations. It is our understanding that the ED stopped processing the Applications pending a response even though Aqua Texas provided additional notice of the Applications on February 20, 2013 and TCEQ received no comments during the 30-day comment period that followed. With the information contained in this letter, Aqua Texas respectfully requests that the ED immediately resume processing of the Applications and issue a final recommendation for CCN transfer approval to the Commission.

Aqua Texas has looked into each item on the print-outs provided and discussed them with the TCEQ Region 12 office. All items on the print-outs relate to issues inherited from Texas-American. Attached is information provided that relates to each item. *See Attachment A.* All issues are either resolved¹ or in the process of being resolved in coordination with TCEQ Region 12 and TCEQ Water Supply Division staff. The sign of sound utility management is not whether problems exist, but how a utility deals with them. Aqua Texas' efforts are demonstrative of its superb financial, managerial, and technical strength when it comes to utility operations.

¹ In one instance, TCEQ Region 12 simply had not confirmed resolution yet or switched the notation in the Central Registry database from "Active" to "Resolved" even though Aqua Texas had responded to the alleged violation and submitted proof of resolution.



Mr. Ron Olson
August 9, 2013
Page 2

None of these issues should prevent a final order approving Aqua Texas' STM Applications which have now been pending for nearly 2 ½ years. The Applications were approved once by the ED in 2011 and the transaction/facilities transfers were deemed approved by the Commission in its November 27, 2012 interim order. The ED found the CCN transfers to be in the "public interest" when he initially determined no hearing was necessary after consideration of the criteria in TEX. WATER CODE §13.301(e) before discussion of any notice issues began. *See Attachment B - TCEQ Approval to Close Letter.* There have been no new comments for ED consideration. The ED's review and final recommendation to the Commission for approval of the requested CCN transfers should be ministerial at this point.

Respectfully, Aqua Texas requests that the ED recommend approval of the CCN transfers requested in the Applications and move this matter forward to final Commission consideration. In the meantime, please feel free to contact me for further discussion. We look forward to final resolution of this matter and thank you for giving it your prompt attention.

Sincerely,



Geoff Kirshbaum
THE TERRILL FIRM, P.C.

Enclosures.

cc:	Brian Dickey	<i>via e-mail</i>
	Tammy Benter	<i>via e-mail</i>
	Lisa Fuentes	<i>via e-mail</i>

ATTACHMENT A

SUMMARY OF AQUA TEXAS RESPONSE ACTIONS

System	Alleged Violation	Response
Centennial Place	2/29/2012 and 9/15/2012 - Failure to provide a minimum pressure tank capacity of 50 gallons per connection. 2/29/2012 and 9/15/2012 - Failure to provide minimum well capacity of 1.5 gallons per minute per connection.	See attached correspondence between TCEQ and Aqua Texas representatives dated August 17, 2012, September 6, 2012 and October 15, 2012. Aqua Texas hired an engineer to develop a work plan to address these issues, received approval for same, and is in the process of scheduling the approved work. This project should be complete by early 2014. This issue pre-dates Aqua Texas' acquisition of this system.
Colonial Hills	1/18/2013 - Failure to provide a minimum service pump capacity such that each pump station or pressure plane must have two or more pumps with a total capacity of 2.0 gallons per minute per connection.	See attached letter from Aqua Texas to TCEQ dated July 17, 2013. Aqua Texas is in the process of retaining an engineer to address this issue and has requested TCEQ allow time for same, but peak demand can be met with existing service pumps. A request for an alternative capacity approval is one possible solution that is being explored. This issue pre-dates Aqua Texas' acquisition of this system.
Greenwood Village	10/15/2007 - Combined Uranium	See attached letter from Aqua Texas to TCEQ dated July 17, 2013. This uranium issue pre-dates Aqua Texas' acquisition of this system and apparently has been an issue since at least 2007. It is a complex issue to resolve and will take some time. Aqua Texas is working with hydrologists and engineers to determine the best solution, currently thought to be a blending approach. In the interim, Aqua Texas has provided quarterly notices regarding this issue. Resolution is expected to be achieved by early 2014.

Lake Conroe West	3/24/2013 - Failure to secure the services of a registered professional engineer well versed in the design and construction of public water systems so that "as built" plans and specifications can be prepared and submitted for our review.	See attached letter from Aqua Texas to TCEQ dated July 17, 2013. This issue pre-dates Aqua Texas' acquisition of this system by many years. Aqua Texas has performed a diligent search of both its records and those at TCEQ related to this public water system. Documentation dates back to the 1970s, but no plans and specifications approval letter for the system was found. While Aqua Texas questions whether there is in fact such a requirement applicable to a water system this old, Aqua Texas plans to hire an engineer to prepare and submit as-built plans and specifications as requested. Aqua Texas is not aware of TCEQ ever imposing such a requirement on Texas-American Water Company when it owned this system. Aqua Texas has requested until the end of the year to resolve this issue.
Maywood Acres	3/25/2013 - Failure to provide a well capacity of 1.5 gallons per minute per connection.	See attached letter from Aqua Texas to TCEQ dated July 11, 2013. This issue pre-dates Aqua Texas' acquisition of this system. Aqua Texas is seeking an alternative capacity approval for this system and has an engineer working on the issue. Once his information is submitted, Aqua Texas hopes this issue can be resolved quickly with the desired approval.
Moreland Subdivision Blocks 3 & 4	2/29/2012 - Failure to fine grade the well site so that the site is free from depressions, reverse grades or areas too rough for proper ground maintenance so as to ensure that surface water will drain away from the well.	This issue is resolved. See attached letter from Aqua Texas to TCEQ dated January 21, 2013 and letter from TCEQ to Aqua Texas dated July 24, 2013. This issue pre-dated Aqua Texas' acquisition of this system. In its January 21, 2013 letter, Aqua Texas submitted proof of work performed to address the issue, but did not receive confirmation that TCEQ considered the issue resolved until a few weeks ago.



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

August 17, 2012

Ms. Leticia DeLeon
PWS Team Leader
TCEQ-Houston Region Office
5425 Polk Ave., Ste. H
Houston, Texas 77023-1452

Re: Centennial Place Water System, PWS I.D. # 0200190, RN101232676, Investigation No. 980582

Dear Ms. DeLeon:

On January 17, 2012, Mr. Huyen D. Luu, P.E., conducted a compliance investigation at the referenced public water system. In your letter of March 6, 2012, were listed two alleged violations. These violations were for well capacity and pressure tank capacity. We have retained Mr. Jerry Ince, P.E. who has provided a scope of work memo for providing ground storage and booster pumps (enclosed). We will achieve compliance by complying with the 0.6 gpm per connection production capacity and 20 gallons per connection pressure tank capacity and not the capacity requirements stated in your letter. We have determined this is the best course of action to resolve the well capacity and pressure tank capacity violations. If Mr. Ince's memo will serve as a compliance plan we have complied with the recommended corrective action in your letter of March 6, 2012. We will keep you informed of our progress in resolving these violations.

If you have questions concerning this letter you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Karl Stein, Area Manager, East Texas, Aqua Texas
Mike Merka, Field Supervisor, North Texas, Aqua Texas
Mike Pickel, Senior Engineer, Environmental Compliance, Aqua America, Inc.

212 E. HWY 90 A
Richmond, Texas 77406
jaince@gmail.com
281-232-7075

Ince Engineering, LLC.

SCOPE OF WORK - CENTENNIAL PLACE

Design of Ground Storage & Booster Pumps - Ince Engineering, LLC (IE) will design the ground storage and booster pumps needed for this facility based on values supplied by the client. IE will develop drawings and submit to TCEQ for approval and make any changes as required by the review.

Not to exceed \$4000

Exception to the rule - Ince Engineering, LLC (IE) will apply for any rule exceptions as needed for the water well. This requirement may or may not be necessary.

Not to exceed \$500

Boundary Survey - Ince Engineering, LLC (IE) will provide these services if needed.

Not to exceed \$2,500

Payment Terms - Payment for survey will be due upon completion of the survey. Payment for all design work will be due upon first TCEQ submittal.

Jerry G. Ince, PE & President
Ince Engineering, LLC
Firm # 6660

Date

Client

Date

212 E. Hwy 90
Richmond, Texas 77406
281-232-7075
jgince@gmail.com

Ince Engineering, LLC

September 6, 2012

TCEQ
Water Supply Division
Utility Creation & Plan Review Team MC-159
P.O. Box 13087
Austin, TX 78711-3087

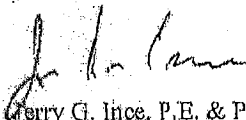
Re: Centennial Place
PWS 0200190

Sirs:

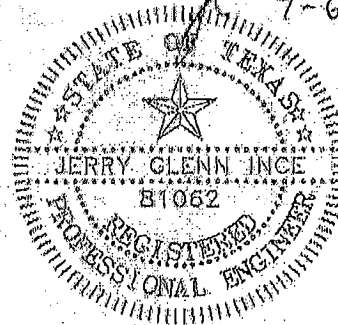
Enclosed please find the submittal items for "Centennial Place" located in Brazoria County, Texas.
The property is located in FEMA Zone "X".

If you find anything deficient please contact me.

Sincerely,



Jerry G. Ince, P.E. & President
President/Engineer
Firm# 6660



TCEQ Public Water System Plan Review Submittal Form
(Complete and Attach to Submittal Package)

Date 09/06/2012
TCEQ PWS Identification No. 0200190 CCN No. or Application No.
Water System Name Centennial Place
Water System Owner Aqua America Type of Entity Utility Company
Address 2211 Louetta Rd, Spring, TX 77311 Phone (AC)
Responsible Official Karl Stein Title East TX Area Manager
***County (system location) Liberty
Mechanism & Source of Financing Private
Subdivision Sec., Phase, Unit, etc. Centennial Place
Engineer Jerry G. Ince, PE Registration Number 81062 E-Mail jgince@gmail.com
Firm Name Ince Engineering, LLC Phone (AC) 281-232-7075 Fax: (AC) 281-232-7075
Firm Address 212 E Hwy 90-A, Richmond, TX 77406
Firm Registration Number 6660

* If no PWS Number exists, the owner must submit a business plan, if required, in accordance with §290.39(f) and (g).

** If a CCN is required and a CCN does not exist, an acceptable application to obtain a CCN number must be made before a project submittal can be technically reviewed. In addition, if a submittal is for a project located outside the CCN area, a CCN amendment application must be submitted before a project may be reviewed for construction approval. Please refer to 30 TAC Chapter 291 for additional information regarding CCNs.

If this is a new (proposed) system, you must attach the following with this submittal:

- ☐ Attach a list of all water utilities within ½ mile of the proposed service area boundaries
- ☐ Copies of formal applications for service from each of the following:
 - ☐ any municipality if the system is within its ETJ;
 - ☐ any district or other political subdivision whose corporate boundaries are within ½ mile of the proposed service area boundaries
 - ☐ any other water service provider whose certificated service area boundary is within ½ mile of the proposed service area boundaries
- ☐ Documentation that all application requirements including payment of fees were complied with.
- ☐ Copies of written responses from each of the entities listed above.
- ☐ Business plan. The business plan financial requirements for non-community water systems must confirm capital availability to construct the system according to TCEQ requirements. This would consist of a balance sheet that shows liabilities as well as assets, not just a bank confirmation of a deposit account. Alternatively, if the project is being constructed with loan funds, then a loan commitment letter from the lender specific to that project will suffice.
- ☐ Justification for constructing a separate system (unless none of the entities listed above exist)
- ☐ TCEQ Core Data Form (No. 10400).

Type of Project (please check the appropriate boxes). Submit a sealed engineering report that includes the number of connections to be served.

- | | |
|---|--|
| <input type="checkbox"/> Distribution System Modifications | <input type="checkbox"/> Surface Water Treatment Plant, New |
| <input checked="" type="checkbox"/> Storage Capacity Modifications | <input type="checkbox"/> Modification of Surface Water Treatment Plant |
| <input type="checkbox"/> Pressure Maintenance Facilities Modifications | <input type="checkbox"/> Proposed Innovative Process Study |
| <input type="checkbox"/> ***Water Well Construction, Proposed | <input type="checkbox"/> Request for Rule Exception |
| <input type="checkbox"/> ***Well completion data for approved well | <input type="checkbox"/> Preliminary Engineering Report w/o plans |
| <input type="checkbox"/> ***Ground Water Treatment Plant, New | <input type="checkbox"/> Tex. Water Dev. Board, Proj. No. <u> </u> |
| <input type="checkbox"/> Disinfection Facilities or Other Modifications | <input type="checkbox"/> Pilot Study for Innovative/Alternative System (Any treatment process not described in Ch298 or loading rates greater than allowable). |
| | <input type="checkbox"/> Other (Please describe) <u> </u> |

***Please refer to http://www.tceq.state.tx.us/permitting/water_supply/pdw/chemicals/radionuclides/pdw_rad.html for a list of counties where there is an elevated risk of RADIONUCLIDES in the groundwater. The website also has helpful information regarding the radionuclide testing required in these counties.

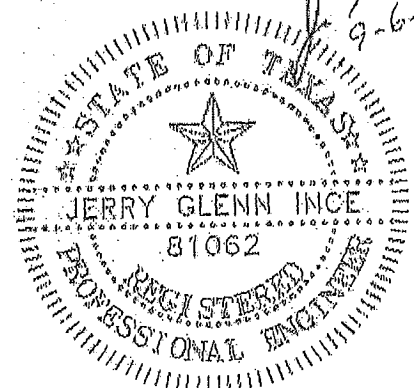
IF THIS SUBMITTAL IS A REVISION OF PREVIOUSLY SUBMITTED PLANS, PLEASE ENTER THE ASSIGNED TCEQ LOG NUMBER . Please call (512) 239-4691 if you have questions regarding this form. Your cooperation will help us provide better service. Additional helpful information and rules are available at the Public Water System Plan Review.

I hereby certify that the above information is, to the best of my knowledge, true and correct.

Signed P.E. Seal below

Jerry G. Ince, PE
Printed Engineer's Name

09/06/2012
Date



DESIGN REPORT

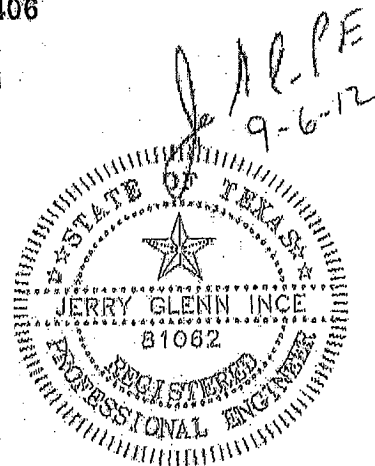
For

CENTENNIAL PLACE GST (PWS 0200190)

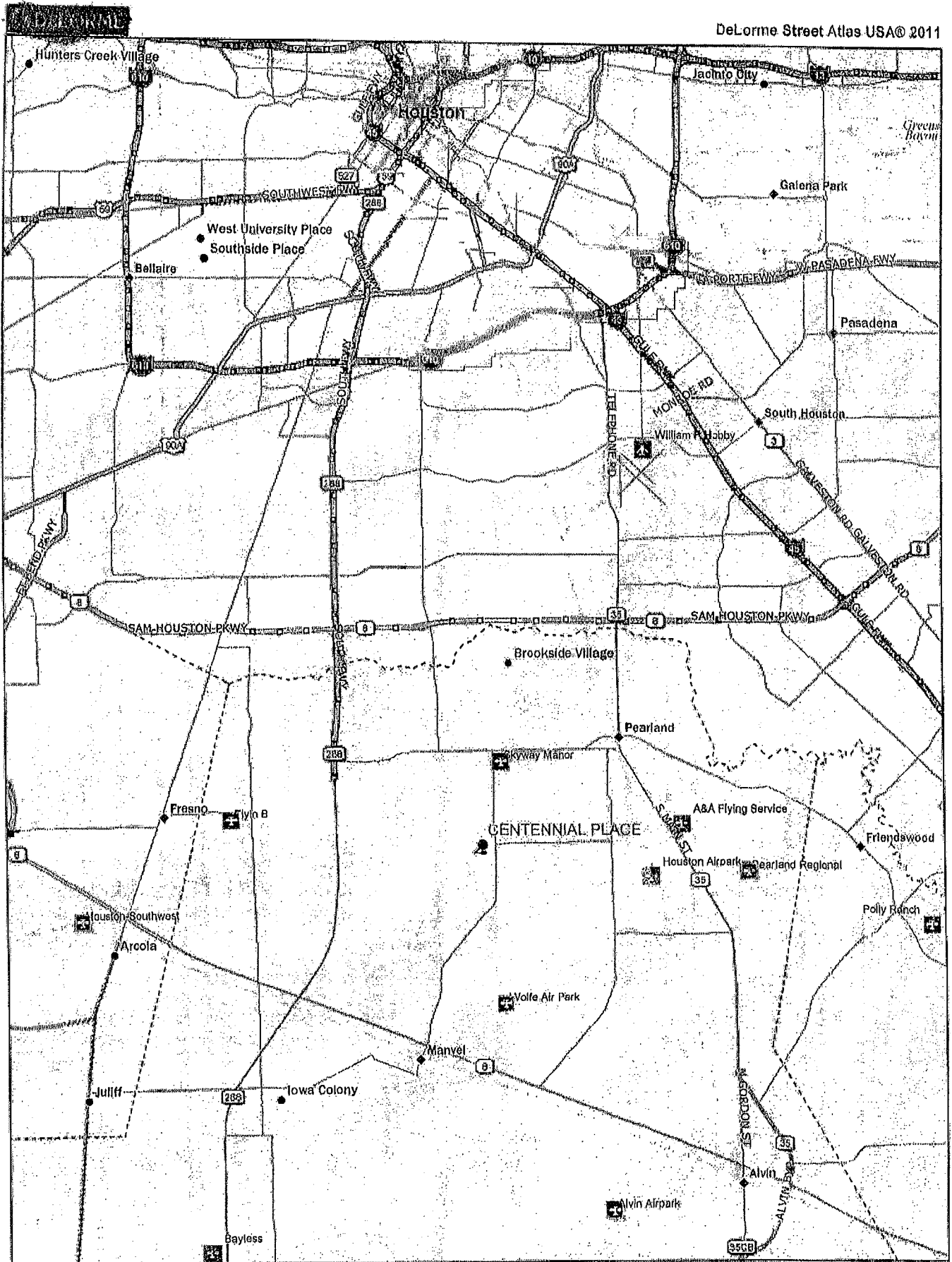
BY

Ince Engineering, LLC
FIRM# 6660

212 E. HWY 90A
Richmond, Texas 77406
281-232-7075
jgince@gmail.com



LOCATION MAP

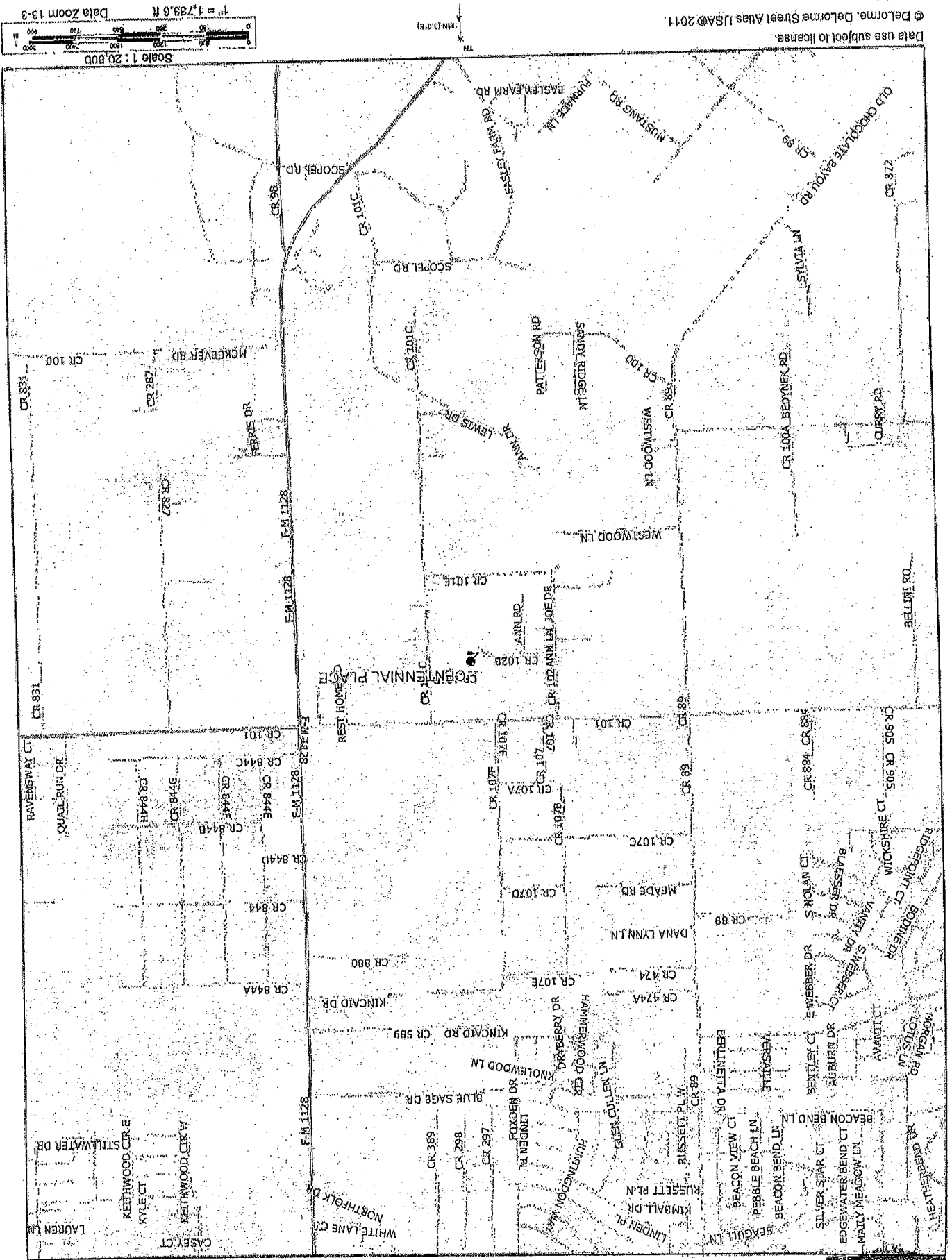


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ENGINEER'S REPORT
(SPECIFICATIONS, CALCULATIONS)

STORAGE TANK AND BOOSTER PUMPS

FOR

CENTENNIAL PLACE PWS# 0200190

HISTORY

Aqua Texas Inc. is applying for a permit to add ground storage capacity to the water plant in the Centennial Place subdivision located in Brazoria County, Texas. The service connections for the ground storage tanks will be 35 connections. The service is for residences.

WATER WELL CALCULATIONS

The total capacity of the well will have to meet the maximum demand capacity as calculated below.

35 connections with ground storage

From TAC 290.45(b)(1)(B)(i)

$$35 \times 0.6 \text{ g/day} = 21 \text{ gpm}$$

The existing well generates 45 gpm. This exceeds TCEQ requirements by 24 gpm.

PRESSURE TANK CAPACITY

From TAC 290.45 (b) (1) (C)(iv) for pressure tank capacity

$$\text{Required 20-gallon per connection} = 35 \times 20 = 700 \text{ gallon pressure tank.}$$

We currently have a 1,500 gallon pressure tank which exceeds requirements.

STORAGE TANK CAPACITY

From TAC 290.45 (b) (1) (C) (ii) for storage tank capacity

Required 200-gallons per connection.

Minimum requirements = $35 * 200$ gallons = 7,000 gallons

85% capacity is $7000/0.85 = 8,235$ gal required.

We will install a 12' diameter 14,000 gallon tank.

SERVICE PUMP CAPACITY

From TAC 290.45 (b) (1) (C)(iii) for service pump capacity

Required 2.0 gpm per connection total

Minimum requirements = $35 * 2.0 = 70$ gpm.

Minimum per pump = $70 \text{ gpm} / 2 = 35$ gpm

We will install two 59-gpm booster pumps at the plant and exceed TCEQ minimum requirements by 48 gpm.

**SPECIFICATION
FOR
WATER STORAGE TANKS**

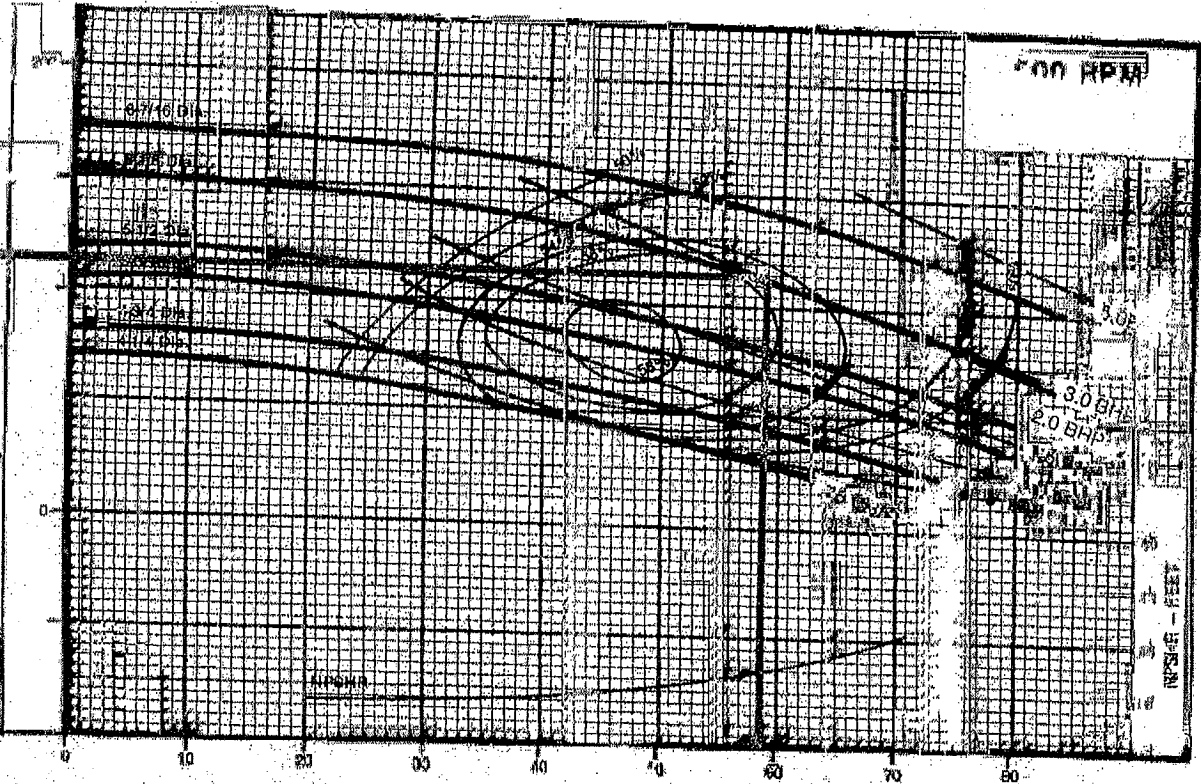
1. **GENERAL.** The work to be done under this specification shall consist of the drilling, casing, screening, developing and testing of water wells as designated under the preceding special provision and all other incidentals to complete the work in accordance to the enclosed terms.
2. **TANK LOCATION.** The tank location shall be on the Owner's property as shown on the drawings. The tank shall not be located within 500 feet of any municipal or industrial sewage treatment plant or any land that is spray irrigated with treated sewage effluent or sludge disposal. The tanks shall be located above ground and not under any part of any buildings. The tanks shall not share a common wall with any other plant unit containing water.
3. **TANK DESIGN AND CONSTRUCTION.** All tank components shall be constructed and conform in strict accordance with current AWWA standards. Bolted tanks shall be designed, fabricated, erected and tested in strict accordance with AWWA standard D103. Roof shall have a minimum slope of 0.75 inches per foot and erected so no water ponds at any point. Inlets and outlets shall be located so as to prevent short-circuiting or stagnation of water. All tanks shall be water tight against leakage. All associated pipes, valves and appurtenances shall be tight against leakage. The supplied tank shall have a means for removing silt and deposits at low points. These drains may not be tied into sewer systems or any other system that could cause back contamination. All facilities for potable water storage shall be covered and designed, fabricated, erected, tested and disinfected in strict accordance with current American Water Works Association (AWWA) standards and shall be provided with the minimum number, size and type of sample connections and access ladders as specified in current commission rules.
4. **ROOF VENTS.** Roof vent shall be ventilator type and shall be installed with strict accordance to current AWWA standards and shall be equipped with approved screens to prevent intrusion of birds, animals, insects, and heavy air contaminants. Screens shall be 16-mesh or finer. Screens shall be secured in place with stainless or galvanized bands or wires and shall withstand wind loads of the same magnitude as the tank.
5. **ROOF OPENINGS.** All roof openings shall conform to AWWA standards and shall be at least 30" in diameter. The access opening shall have a 4 inch raised curb with a lockable cover that overlaps the curb at least two inches. If necessary, a gasket creating a positive seal when the hatch is closed shall be used. The hatch shall remain locked except during maintenance and inspections.
6. **OVERFLOWS.** All overflows shall be constructed in strict accordance with current AWWA standards and shall terminate with a gravity hinged and weighted cover that fits snugly with no gap over 1/16 inch. The overflow shall terminate at no more than two feet off the ground to provide inspection access without a ladder and to prevent any chance of submergence.
7. **LIQUID LEVEL INDICATOR.** The liquid level indicator shall be a pressure gauge calibrated in feet of water, an ultrasonic level indicator, or a float with a moving target. If a float with moving target is used, it must also contain a pressure indicator at ground level. Pressure gauges must be 3' or less in diameter and calibrated at two foot intervals.
8. **PAINTING AND DISINFECTION.** All storage tanks shall be painted and disinfected in accordance with current AWWA standards. No coatings temporary or otherwise may be used that contain lead. No coatings may be used which are not approved for contact surface with potable water by the EPA, NSF or the FDA. All newly installed coating must conform to American National Standards Institute/National Sanitation Foundation (ANSI/NSF) Standard 61 and certified by an ANSI accredited organization.

9. USED TANKS Any used tanks shall have only previously contained potable drinking water and be accompanied with a letter from the previous owner stating such.
10. LOWER RING ACCESS Access in the lower ring shall be a minimum of 36 inches in diameter. Gasket seals shall be in place to prevent leakage when the manway is closed.

JACUZZI

Model DB1

rg 1 2" tio



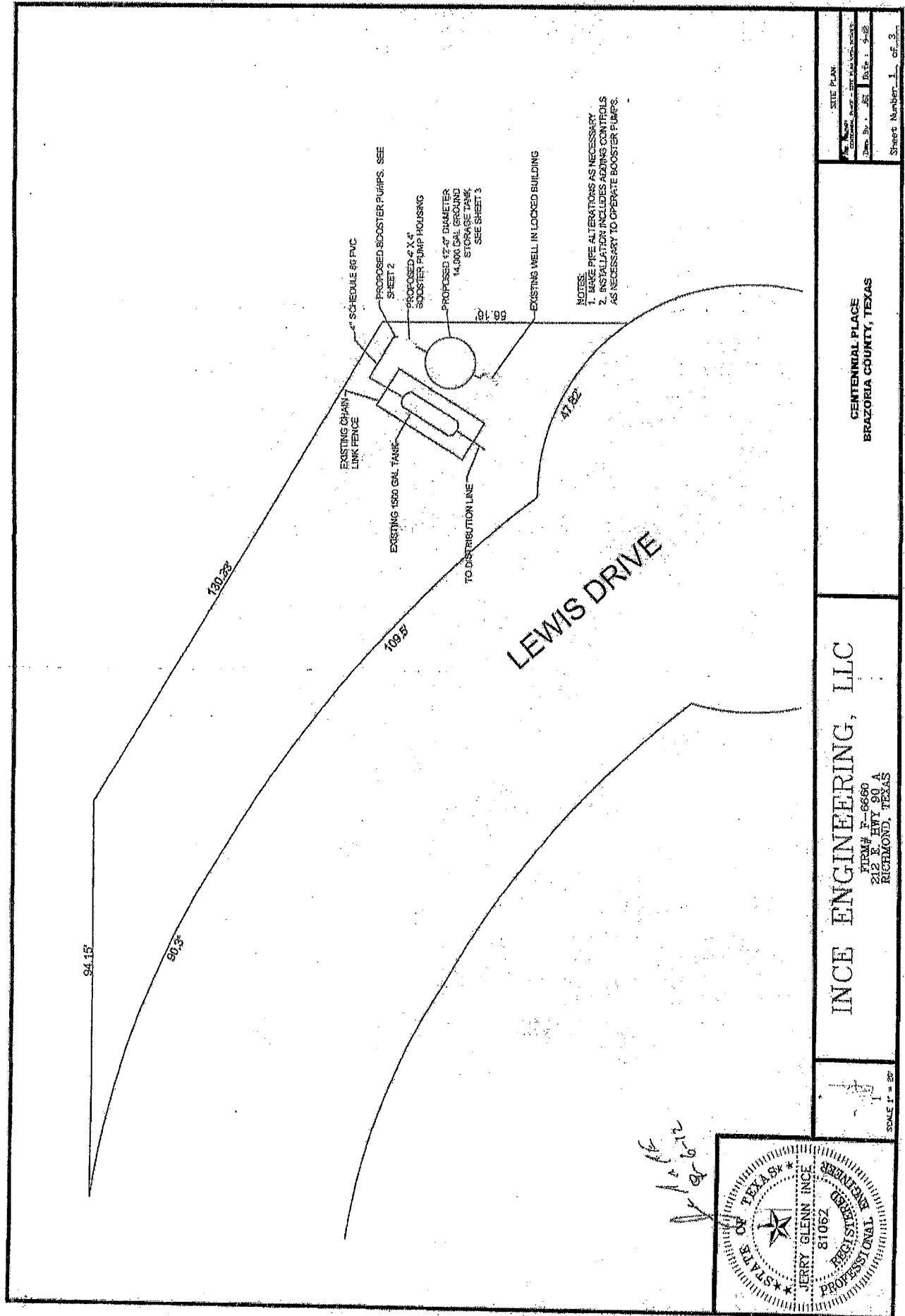
Performance Chart - 3500 RPM

DB1		CAPACITIES GPM												50	100
Flow	Imp. Dia.	2"	3"	4"	6"	8"	10"	12"	14"	16"	18"	20"	22"		
1/2"	1/2"	61	50	40	30	20	15	10	7	5	4	3	2		
3/4"	3/4"														
1"	1"														
1 1/2"	1 1/2"														
2"	2"														
3"	3"														

ORDERING INFORMATION - DB1

Model No.	Capacity	Flow	Head	Wt.	Wc.
312-0319	1	1	1	1	1
312-0327	1	1	1	1	1
312-0335	1	1	1	1	1
312-0376	1	1	1	1	1
312-0384	1	1	1	1	1
312-0390	1	1	1	1	1

DRAWINGS

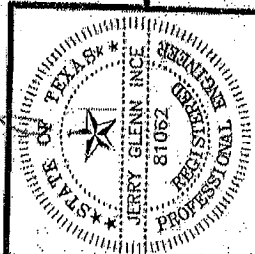


INCE ENGINEERING, LLC

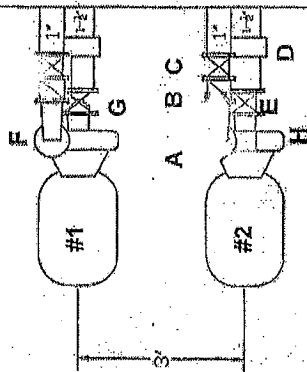
JERRY R. INCE
212 N. HWY 20 A
RICHMOND, TEXAS

**CENTENNIAL PLACE
BRAZORIA COUNTY, TEXAS**

SITE PLAN	
Drawn By: JGI	Date: 4-22
Sheet Number: 1 of 3	



4" INTAKE & 2" HEADER



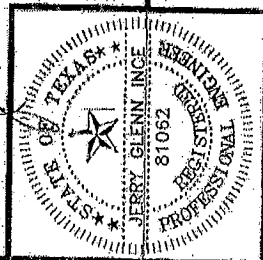
- A 1" X 1" FLG 90°
- B 1" WAFER CHECK VALVE
- C 1" PLG GATE VALVE
- D 1-1/2" DRESSER COUPLING
- E 1-1/2" FLG GATE VALVES
- F 1-1/2" X 1-1/2" 90°
- G 1-1/2" X 1-1/2" FLG
- H 1-1/2" X 1-1/2" FLG

GENERAL NOTES PUMP:

1) PUMP WILL BE A 3 HP, JACZZI 3-DBI OR EQUAL
CENTRIFUGAL PUMP ASSEMBLY WITH ALL ACCESSORIES
REQUIRED FOR A COMPLETE INSTALLATION.

BOOSTER PUMPS
NTS

11/1/12
12-6-12



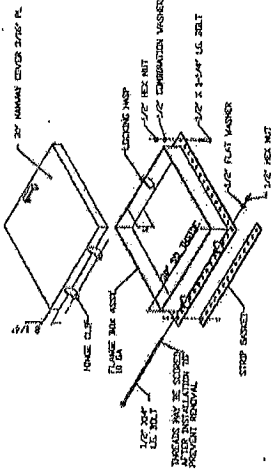
INCE ENGINEERING, LLC

STRA# F-5650 A
2412 F. HWY. 90
RICHMOND, TEXAS

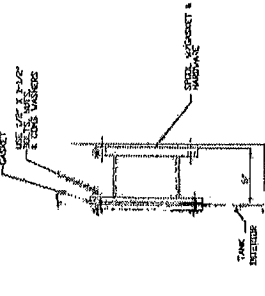
CENTENNIAL PLACE
BRAZORIA COUNTY, TEXAS

BOOSTER PUMP DETAILS

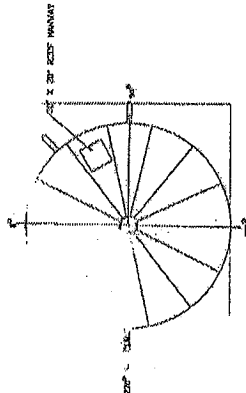
Sheet No. 2 of 4



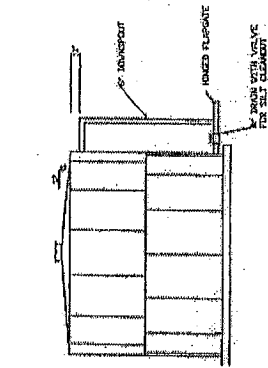
ROOF MANWAY DETAIL



SINGLE SPIGOT DETAIL

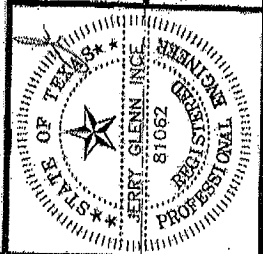


DECK PLAN



ELEVATION (DOWN SPOUT & CLEANOUT)

- GENERAL NOTES**
1. ALL MATERIALS MUST CONFORM TO THE MOST CURRENT AWWA REQUIREMENTS.
 2. THE DOWN SPOUT SHALL BE GRADUALLY SLOPED TO THE TANK BOTTOM.
 3. THE MANWAY IN THE BOTTOM RING SHALL BE USED FOR ACCESS AND CLEANOUT AS NEEDED.
 4. THE FACT-LAND SURVEY LOCATIONS ARE SHOWN TO PREVENT SHORT CIRCUITING.
 5. ALL MATERIALS SHALL BE COATED IN ACCORDANCE WITH CURRENT AWWA SPECIFICATIONS.
 6. TANK BOTTOM INSULATION MUST BE PROVIDED AS DESCRIBED IN THE SPECIFICATIONS.
 7. ALL INSULATION, EXCEPT GUARDRAILS AND OTHER SAFETY DEVICES, SHALL BE INSTALLED IN STRICT ACCORDANCE WITH CURRENT AWWA STANDARDS.



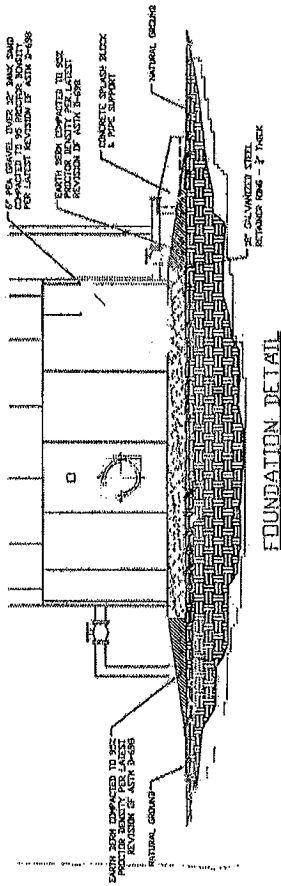
01.1E
9-6-12

INCE ENGINEERING, LLC

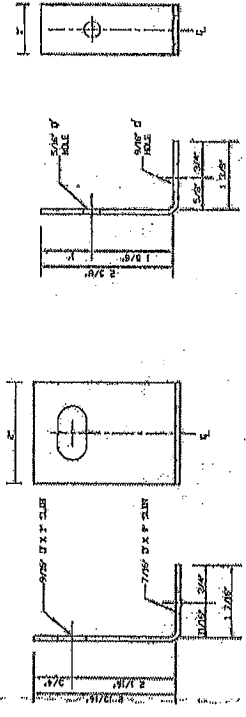
FIRM# F-6660
212 E. HWY 90 A
RICHMOND, TEXAS

CENTENNIAL PLACE
BRAZORIA COUNTY, TEXAS

Sheet Number: 3 of 4

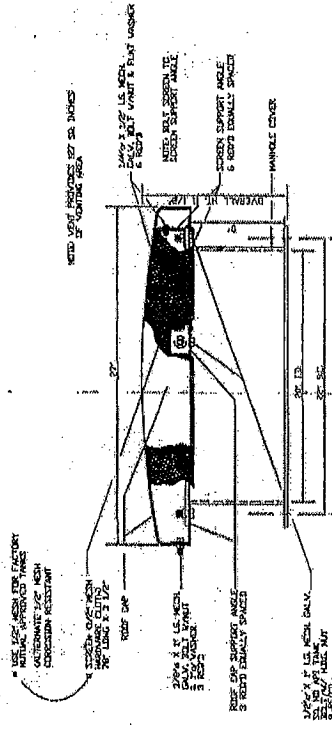


FOUNDATION DETAIL

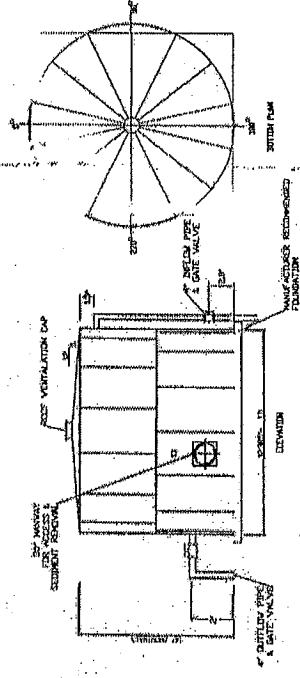


ROOF CAP SUPPORT ANGLE
12 GA. X 4 1/4\"/>

SCREEN SUPPORT ANGLE
MK 353612104 12 GA. X 4\"/>



ROOF VENT DETAIL



TANK VIEWS

GROUND STORAGE TANK DETAILS
CENTENNIAL PLACE - BRAZORIA COUNTY, TEXAS
Des. By: JGI Date: 9-12
Sheet Number: 3 of 4

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



PWS/0200190/CO

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

October 15, 2012

Mr. Jerry Ince, P.E.
Ince Engineering, LLC
212 East Highway 90
Richmond, TX 77406

Re: Centennial Place - Public Water System I.D. No. 0200190
Proposed 14,000 Gallon Ground Storage Tank and Two Booster Pumps
Engineer Contact Telephone: (281) 232-7075
Plan Review Log No. P-09102012-044
Brazoria County, Texas

CN600623367;

RN101232676

Dear Mr. Ince:

On September 10, 2012, the Texas Commission on Environmental Quality (TCEQ) received planning material with your letter dated September 06, 2012 for the proposed 14,000 gallon ground storage tank (GST) and two booster pumps. Based on our review, the project generally meets the minimum requirements of the TCEQ's Chapter 290 - Rules and Regulations for Public Water Systems. It is the project engineer's responsibility to assure that the design and construction of this project meets TCEQ requirements.

The submittal consisted of three sheets of engineering drawings and technical specifications. The approved project consists of:

- One (1) 14,000 gallon bolted steel American Water Works Association Standard D103 GST;
- New booster pump station equipped with two (2) horizontal split case booster pumps each rated at 59 gallons per minute; and
- Various fittings, valves, and related appurtenances.

This approval is for the construction of the above listed items only. Any wastewater components contained in this design were not considered.

The Centennial Place public water supply system provides water treatment.

An appointed engineer must notify the TCEQ's Region Office 12 in Houston at (713) 767-3500 when construction will start.

Please keep in mind that upon completion of the water works project, the engineer or owner will notify the commission's Water Supply Division, in writing, as to its completion and attest to the fact that the work has been completed essentially according to the plans and change orders on file with the commission as required in Title 30 of the Texas Administrative Code §290.39(h)(3).

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

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Mr. Jerry Ince, P.E.
Page 2
October 15, 2012

Please refer to the Utilities Technical Review Team's Log No. P-09102012-044 in all correspondence for this project. This will help complete our review and prevent it from being considered a new project.

Please complete a copy of the most current Public Water System Plan Review Submittal form for any future submittals. Every blank on the form must be completed to minimize any delays in the review of your project. The document is available on our website at the address shown below.

<http://www.tceq.texas.gov/utilities/planrev.html>

For future reference, you can review part of the Utilities Technical Review Team's database to see if we have received your project. This is available on the TCEQ's homepage on the Internet at the following address:

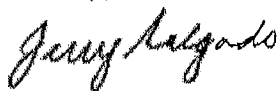
<http://www.tceq.texas.gov/utilities/planrev.html#status>

You can download most of the well construction checklists and the latest revision of Chapter 290 "Rules and Regulations for Public Water Systems" from this site.

If you have any questions regarding this letter, please contact Raul Cortez-Suarez at (512)239-1467 or by email at "raul.suarez@tceq.texas.gov" or by correspondence at the following address:

Utilities Technical Review Team, MC-159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Sincerely,



Jerry Salgado, P.E.
Utilities Technical Review Team, MC-159
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality



for Ada Lichaa, P.G., Manager
Plan and Technical Review Section
Water Supply Division
Texas Commission on Environmental Quality

rs/av

cc: Centennial Place - Attn: Paul G. Townsley, 2211 Louetta Rd., Spring, TX 77388-4706
TCEQ Central Records PWS File 0200190
TCEQ Region No. 12 Office - Houston



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

July 17, 2013

Ms. Leticia DeLeon, PWS Team Leader
TCEQ-Houston Region Office
5425 Polk St. Ste H
Houston, Texas 77023-1452

Re: Colonial Hills Water System, PWS I.D. # 1010116, RN101194595, Investigation No. 1049469

Dear Ms. DeLeon:

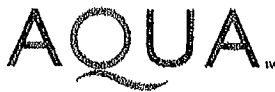
On July 12, 2013, I replied to your letter of January 16, 2013, regarding violation Track No. 48780, concerning the service pump capacity provided for this pws. In an email reply Christina Bernal indicated that even though the current pumps could meet peak demand we were not in compliance with the rule requiring a service pump capacity of 2.0 gpm/connection. Since we are able to meet peak demand with the current service pumps we are going to hire an engineer and have him submit documentation for an alternative capacity. This will take some time to accomplish. We ask that we be allowed until the end of the year, December 31, 2013, for the engineer to collect and submit the data and receive correspondence from TCEQ. If we are not granted the ACR then we will install larger pumps or more pumps, which may take beyond the end of this year to gain TCEQ approval and install.

If you have questions you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Don Francis, Acting Field Supervisor, East Texas, Aqua Texas
Mike Pickel, Senior Engineer, Environmental Compliance, Aqua America, Inc.



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

July 17, 2013

Mr. Gary Chauvin, Team Leader
Drinking Water Quality Team
TCEQ-Public Drinking Water (MC-155)
P.O. Box 13087
Austin, Texas 78711-3087

Re: Greenwood Village Water System, PWS I.D. # 1010011, Uranium MCL violation (EP001)

Dear Mr. Chauvin:

Aqua Texas purchased the referenced public water system from Texas American in June of 2011. Since that time we have been doing quarterly notices for the uranium violation at EP001 and have been looking at various options for resolving this violation. We have worked with a hydrologist who did a report for us concerning groundwater in the area and whether we would be able to drill a well and find better water quality. Due to property ownership issues we have been unable to pursue this option as the land issue will take time to resolve. We have also pursued treatment and determined this option was too expensive. Most recently we have decided to blend water from distribution into the ground storage at the water plant at EP001. The well at our other plant (EP002) does not have a uranium issue and we should be able to get the uranium content below the 30 ug/L limit by blending. We have an engineer who is working on this issue for us and is determining the amount of water we will need to use to blend the uranium level down. He is designing the facilities needed to provide water from EP002 to the plant at EP001. We have determined that we should have this project completed within 180 days, early 2014, and should hopefully receive a TCEQ analysis in the 1st quarter of 2014 which will show we are in compliance with the 30 ug/L uranium, MCL limit. To reduce the RAA down below the 30 ug/L limit may take several quarterly results.

We wanted to inform you of our progress in bringing EP001 into compliance with the uranium MCL limit. If you have questions you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

A handwritten signature in dark ink, appearing to read "Larry E. Mitchell". The signature is fluid and cursive, with a large, stylized "L" and "M".

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Lonnie Foley, Acting Area Manager, East Texas, Aqua Texas



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

July 17, 2013

Ms. Leticia DeLeon, PWS Team Leader
TCEQ-Houston Region Office
5425 Polk Ave. St. H
Houston, Texas 77023-1452

Re: Lake Conroe West Water System, PWS I.D. # 1700041, RN101193845.
Investigation No. 1057876

Dear Ms. DeLeon:

On February 5, 2013, Ms. Maggie Wright, conducted a compliance investigation at the referenced public water system. In your letter of March 22, 2013, written in response to the findings of this investigation, was listed an outstanding alleged violation, Track No. 494620. The violation was for failure to secure the services of a registered professional engineer well versed in the design and construction of public water systems so that "as-built" plans and specifications can be prepared and submitted for our review. Recently I went to the TCEQ file room and reviewed records for this public water system. I was hoping to find documentation for the approval of water system facilities. In my search I could not find the letters granting approval for this water system. My research found documentation back into the 1970's for this water system.

Since we cannot find the documentation approving the use of facilities serving this water system we will hire an engineer to prepare and submit the "as-built" plans. To hire the engineer and have him prepare the as-builts and submit and receive TCEQ approval will take some time. We ask that we be allowed until the end of this year, December 31, 2013, to resolve this violation.

If you have questions regarding this letter you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Amanda Rutledge, Field Supervisor, East Texas, Aqua Texas
Mike Pickel, Senior Engineer, Environmental Compliance, Aqua America, Inc.



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
F: 512-990-4411
www.aqua-texas.com

July 11, 2013

Ms. Leticia DeLeon, PWS Team Leader
TCEQ-Houston Region Office
5425 Polk St. Ste. H
Houston, Texas 770213-1452

Re: Maywood Acres Water System, PWS I.D. # 1460033, RN101275022, Investigation No. 1056936

Dear Ms. DeLeon:

On February 5, 2013, Ms. Dawn Olivo conducted a compliance investigation at the referenced public water system. In your letter of March 20, 2013, written in response to this investigation, was listed an alleged violation, Track No. 494890. This violation was for failure to provide a well capacity of 1.5 gpm per connection. We are providing 57 gpm and 58.5 gpm is required. Due to this short difference between what is required and what we provide we are seeking an alternative capacity. We have an engineer working on this issue and we will provide you an update when he has submitted data to TCEQ and when he receives his reply whether the ACR is granted or not.

If you have questions regarding this letter you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Donald Ray Francis, Acting Field Supervisor, East Texas, Aqua Texas
Mike Pickel, Senior Engineer, Environmental Compliance, Aqua America, Inc.



Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

T: 512-990-4400
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January 21, 2013

Ms. Leticia DeLeon, Team Leader
Public Water Supply
TCEQ-Region 12, Houston
5425 Polk Ave., Ste. H
Houston, Texas 77023-1462

Re: Moreland Water System, PWS I.D. No. 0200227, RN101450187, Investigation No. 980577

Dear Ms. DeLeon:

On January 17, 2012, Mr. Huyen Luu, P.E. conducted an investigation at the referenced public water system. In your letter of March 1, 2012, written in response to the findings of this investigation, was listed a violation, Track No. 458787. This violation was for failure to fine grade the well site. I have enclosed several photos of work recently done at the site. A new slab was poured around the well head and material has been added to the site to insure proper drainage. In addition the well casing height was extended to insure the 18 inch requirement was being met.

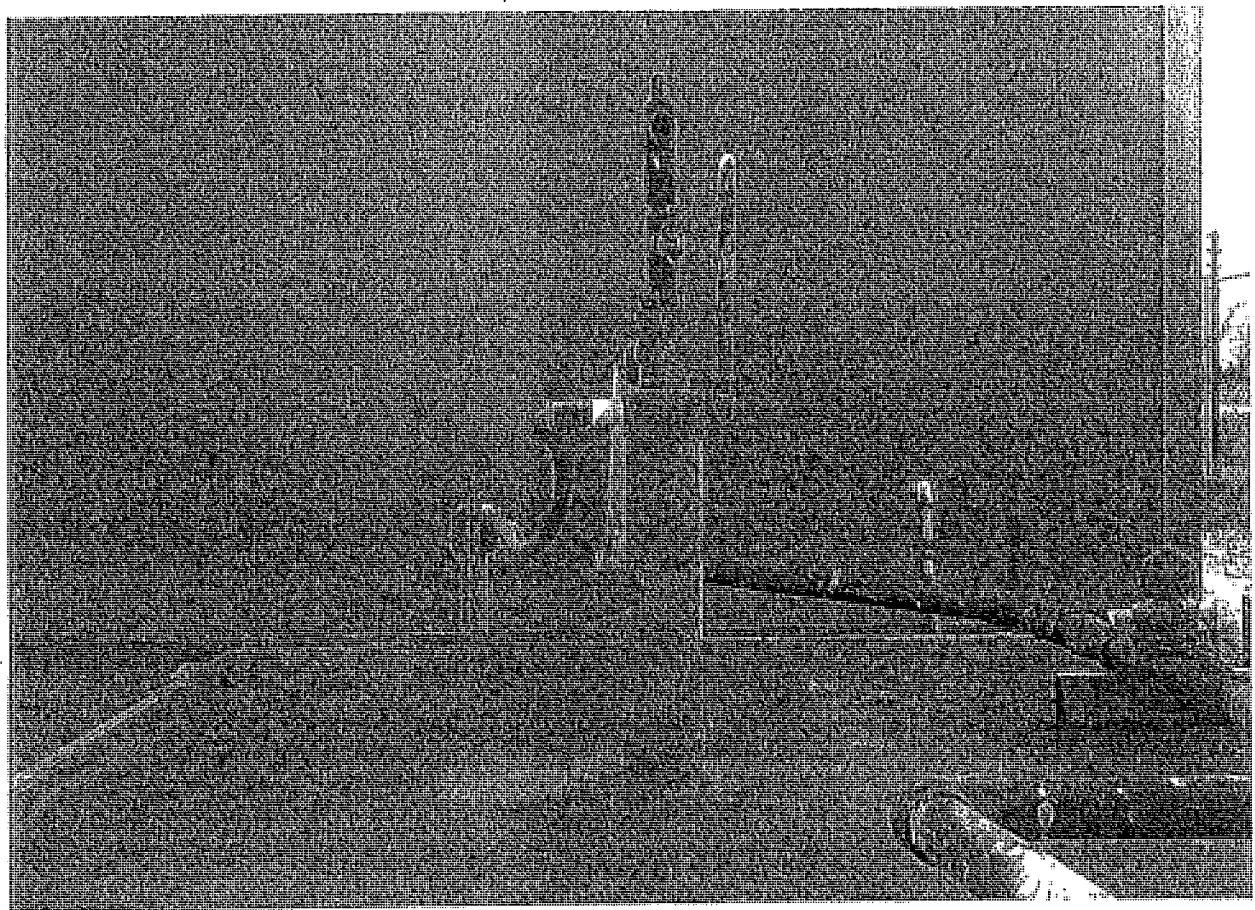
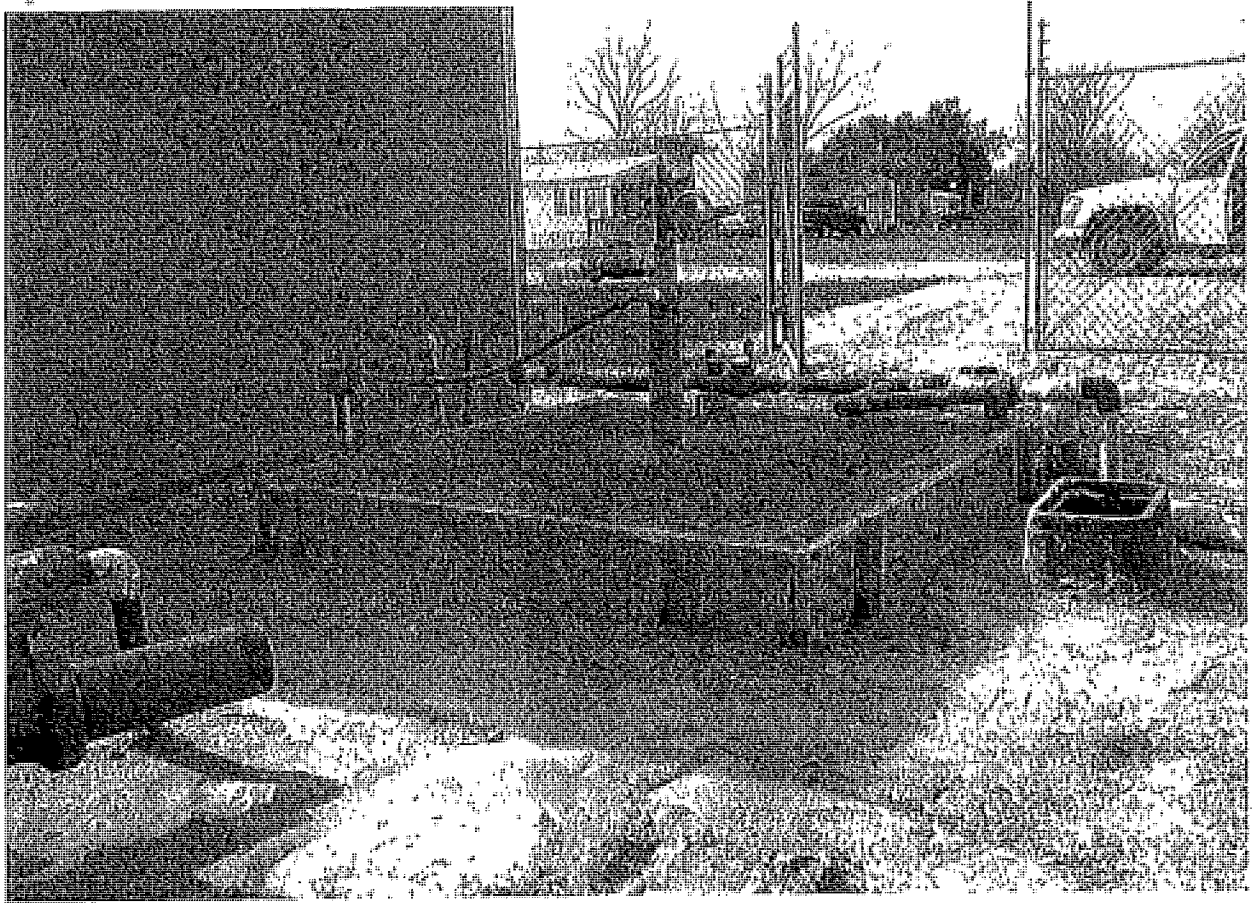
We believe this information should allow you to consider Violation Track No. 458787 to be resolved. If you have questions regarding this letter you may contact me by phone at (512) 990-4400 ext. 56109 or by email at LEMitchell@Aquaamerica.com.

Best Regards,

A handwritten signature in cursive script that reads "Larry E. Mitchell".

Larry E. Mitchell
Environmental Compliance Coordinator

cc: Mike Merka, Field Supervisor, East Texas, Aqua Texas
Mike Pickel, Senior Engineer, Environmental Compliance, Aqua America, Inc.



Felder Water Well & Pump Service LLC

P.O.Box 1033 (Mailing)
17276 FM 523 (Physical)
Angleton, TX 77516-1033
USA

Voice: 979 849-5144

Fax: 979 849-2517

INVOICE

Invoice Number: 12377

Invoice Date: Jan 2, 2013

Page: 1

Bill To:
Aqua Texas - Spring 2211 Louella Rd Spring, TX 77388

Ship to:

Customer ID	Customer PO	Payment Terms	
aquatexas		Net 10 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
	Service Rig		1/12/13

Quantity	Description	Unit Price	Amount

	Mooreland #3 #4		
1.00	Material - Well Seal, Galvanized Pipe, Miscellaneous fittings	1,200.00	1,200.00
6.00	Labor - To extend casing as per TCEQ specifications	125.00	750.00

Check/Credit Memo No:

Subtotal	1,950.00
Sales Tax	131.83
Total Invoice Amount	2,081.83
Payment/Credit Applied	
TOTAL	2,081.83

Overdue Invoices are subject to late charges.

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 24, 2013

Mr. Steve Blackhurst, Regulatory and Compliance Manager
Aqua Utilities, Inc.
1106 Clayton Lane, Suite 400W
Austin, TX 78723

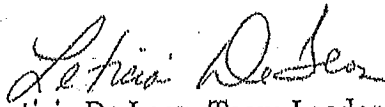
Re: Notice of Compliance with Notice of Violation (NOV) dated March 1, 2012:
Moreland Subdivision Block 3 & 4, CR 296A, Alvin, Brazoria County, Texas
TCEQ ID No. 0200227, Investigation No. 1103247

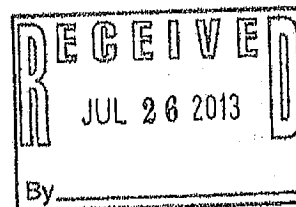
Dear Mr. Blackhurst:

On January 24, 2013, the Texas Commission on Environmental Quality (TCEQ) Houston Region Office received adequate compliance documentation to resolve the alleged violation documented during the investigation of the above-referenced regulated entity conducted on January 17, 2012. Based on the information submitted, no further action is required concerning this investigation.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions, please feel free to contact Mr. Huyen D. Luu in the Houston Region Office at (713)767-3650.

Sincerely,


Leticia De Leon, Team Leader
Public Water Supply
Houston Region Office



LD/HDL/ra

Enclosure: *Summary of Investigation Findings*

cc: Harris County Public Health and Environmental Services

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 15, 2011

BY FAX TO 512/990-4410 AND
BY CERTIFIED MAIL

Mr. Glen E. Lewis, Director of Corp. Development
Aqua Texas, Inc.
1106 Clayton Lane, Suite 400W
Austin, Texas 78723

Re: Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., Certificate of Convenience and Necessity (CCN) No. 11157, to Purchase Facilities and to Transfer and Cancel CCN No. 13114 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36983-S

Application from Aqua Utilities, Inc. dba Aqua Texas, Inc., CCN No. 20453, to Purchase Facilities and to Transfer and Cancel CCN No. 21005 from Texas-American Water Company, in Brazoria, Harris, Liberty, Matagorda and Montgomery Counties; Application No. 36984-S

CN: 602787509; RN: 102674215 (water) and 102674504 (sewer) (Aqua Utilities, Inc. dba Aqua Texas, Inc.)

CN: 603067000; RN: 105004246 (water) and 105004253 (sewer) (Texas-American Water Company)

Dear Mr. Lewis:

We have reviewed the criteria in Texas Water Code (TWC), Section 13.301(e) and determined that a public hearing will not be requested. You may complete your proposed transaction as scheduled, or any time after you receive this notification. Please note that the transaction must comply with the requirements of TWC Section 13.301(d) and therefore cannot be completed prior to the issuance of this letter.

The second part of the applications, which is transferring the CCNs, will occur following receipt of following documents:

- a copy of the signed contract or bill of sale, and
- documents supporting the disposition of customer deposits.

The applications cannot be approved nor the CCNs transferred and issued until we receive evidence that the transaction was completed. These items must be received by the Utilities & Districts Section, Water Supply Division, within 30 days after the effective date of the transaction.

Mr. Glen E. Lewis, Director of Corp. Development

Page 2

June 15, 2011

After the proper documentation is received, staff will prepare the proposed maps, certificates, and recommendation for both applicants to review before submitting them to the Executive Director for approval and the issuance of the CCNs. A copy of this information will be sent to both the buyer and seller.

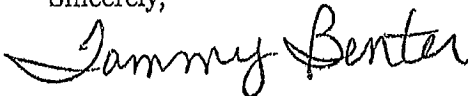
If you concur with the recommendation, the consent forms must be signed and returned by both applicants before the recommendation to transfer the CCNs can be approved by the Executive Director. If both consents are not received, the CCNs will remain in the name of the seller and the seller remains responsible for the systems for purposes of TWC Section 13 regulations. (See TWC, Section 5.122 and 30 Texas Administrative Code Section 50.33).

As an alternative to the seller's continued involvement in the process, the closing document(s) and any accompanying correspondence may include a statement that the seller consents with the transfer of the CCNs to the buyer with specific references to the statute and rule noted above. The statement will serve to authorize the Executive Director to take action upon receipt of the buyer's signed consent form. In this situation, however, the seller is relying on the buyer to provide the final consent on the CCN transfers.

Finally, please note that from the time the applications are filed until the CCNs are issued, it is the applicants' (buyer and seller) responsibility to notify and update the Utilities & Districts Section, Water Supply Division, of changes in the financial, managerial, or technical information provided in the applications.

If you have any questions, please contact Ms. Karen Blaschke by phone at 512/239-6932, by fax at 512/239-0030, by email at karen.blaschke@tceq.texas.gov. If contacting our office by correspondence, please include MC 153 in the letterhead address below.

Sincerely,



Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/KLB/ln

CC: Ms. Jennifer Asencio

Mailing List
Aqua Texas STM Application
SOAH Docket No. 582-12-0707
TCEQ Docket No. 2011-1566-UCR

FOR THE APPLICANT:

Geoffrey P. Kirshbaum, Attorney
The Terrill Firm, P.C.
810 West 10th Street
Austin, Texas 78701

FOR THE PROTESTANTS:

Jim Boyle, Attorney
Herrera & Boyle, PLLC
816 Congress Avenue, Suite 1250
Austin, Texas 78701

FOR PUBLIC INTEREST COUNSEL:

Eli Martinez
Public Interest Counsel, MC 103
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

FOR THE CHIEF CLERK:

Ms. Bridget Bohac
Office of the Chief Clerk, MC 105
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087